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THE WHITE HOUSE
WASHINGTON

18 Dec 78

Stu Eizenstat

The attached was returned in the President's oubox today and is forwarded to you for appropriate handling. Please inform appropriate parties of the President's decision.

Rick Hutcheson

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| | | LOG IN/TO PRESIDENT TODAY |
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Stu - pls inform appropriate parties of Pres's decision

ACTION

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
RICK NEUSTADT
JOE ONEK

SUBJECT: Privacy PRM (DPS PRM #1)

Attached is the report of the 13-agency Committee you established to analyze the recommendations of the Privacy Protection Study Commission.

In line with the Commission's recommendations, this report goes beyond the traditional notion of privacy and deals with fairness in the use of information. It addresses the way particularly sensitive personal information is collected, used, and disclosed by public and private institutions. Because of the expansion in government services, the growth of large corporations and other private bureaucracies, and the movement to the cities, more and more personal information is being collected, and more and more important decisions are being based on data rather than human contact. The spreading use of computers makes it easy to retrieve data from files, to exchange it, and to compile massive files with individual information from many sources. Information such as financial records once kept in people's homes and protected by the Fourth Amendment is now kept by banks, outside the individual's control. Individuals have no legal rights over the disclosure or use of most records about them and no right to inspect records to ensure their accuracy. As a result, a sense of invaded privacy and helplessness is rising in the U.S. and other western countries. This concern led six European countries to pass broad privacy laws in the last five years. Harris poll data on U.S. attitudes is attached at Tab E.

The recommended policy would address this problem with a mix of Federal legislation and calls for state laws and voluntary action. The Committee's report is at Tab B. Although we have provided a very brief summary at Tab A, we believe you would find it useful to read the full report at Tab B. We have provided decision boxes for you at both places.

The Privacy PRM has become the main focus of attention for those concerned about this issue on the Hill, in the press, and in the private sector. They are all now looking to the Administration to establish, for the first time, a comprehensive privacy policy for the U.S. (The New York Times ran an article on this PRM last Sunday; it is attached at Tab F.) In addition, such a policy is needed for the negotiations underway with the Europeans to ensure that their privacy laws do not disrupt international data transfers. We think the Committee's recommendations will fulfill these expectations and receive a positive response.

Moreover at a time of severe budget stringency, this privacy initiative, is an especially costless thrust that is important to the liberal community (although some want it to go further) and has broad public appeal since it limits government intrusions into individuals' lives.

All agencies agree with the proposed policies except where specifically indicated.

Treasury is the only agency that has broad objections; it argues the proposals may impose excessive costs on the private sector. (Treasury's memo is at Tab C.) It is correct that some costs are involved, but we believe they would be minimal. The Privacy Commission held extensive hearings with private industry and worked hard to avoid costly requirements. The Committee's recommendations reflect further such discussions and cut back the Commission's proposals in some cases.

Several companies are already implementing privacy safeguards on their own and have told us the costs are not serious. The one major study of this issue -- by the American Banking Association -- estimated annual costs at one-twentieth of one percent of gross expenses. That study was based on restrictions that are more burdensome than those the Committee contemplates.

Treasury's memo makes several suggestions on the specifics of the banking bill, and all are compatible with the Committee's recommendations. We recommend that such specifics be worked out in drafting the bills, once you have made the broad decision to go forward. The drafting will be done in consultation with the affected industries, and if any major problems on costs turn up, we will report them to you for your decision.

The Committee was divided on one issue: whether to recommend legislation to restrict Federal agency access to telephone toll records. The arguments on this issue are presented at Tab D, and you should indicate your decision there. We recommend the second option: to defer any legislation in this area for a year. By then, the Supreme Court will have decided a pending, relevant case, and there will have been some experience under the bill passed this year restricting access to bank records.

We have discussed the legislative options with the relevant Hill committees. They are favorable to the proposals we are recommending, although only one bill -- that covering medical records -- presently seems a high priority on the Hill. One difficulty is that since Sam Ervin retired, there has been no clear privacy leader on the Hill. We propose to work this winter to encourage several members to take that role.

The privacy issue cuts across agency lines and needs continuing White House attention, but it should not be a top priority for you. We recommend it be handled as follows:

| | |
|---|---|
| Late January/ early February: | Message to Congress describing the policy, the legislative proposals, and the administrative steps that have and are being taken. (This Message would mention the 1978 Financial Privacy Act as the first, successful step in implementing the privacy policy. It probably would also transmit the legislation dealing with the Supreme Court's Stanford Daily decision -- The policy you approved on that matter will be announced shortly.) |
| Late February: | Submit bills to Congress. |
| Thereafter: | Commerce would have the public lead, other agencies would handle individual bills that fall in their areas and -- together with Frank Moore and his staff -- we would continue to work with Commerce to coordinate the project. |

Approve ✓ Disapprove _____

We recommend that we ask the Vice President or Secretary Kreps to announce the policy unless you want to do so yourself.

You announce _____ Mondale or Kreps announce ✓

TAB A

## Summary of Coordinating Committee Recommendations

## Private Activities

The Committee endorses the following principles -- recommended by the Privacy Commission -- for application to several categories of particularly confidential records:

- Record keepers should inform an individual of their information collection and disclosure practices.

- An individual should be able to see and obtain a copy of reasonably retrievable records about himself.

- An individual should be able to challenge the accuracy of information about himself, and the record keeper should be obliged either to correct the record or report that the individual disputes it.

- An individual should be entitled to know the basis for an adverse decision made about him.

- The record should be treated as confidential. Record keepers should disclose the information only when disclosure is:

  -- necessary to serve the relationship;

  -- necessary to protect the record keeper against improper action by the individual;

  -- necessary to protect the individual;

  -- authorized by the individual; or

  -- to a government body, through a process established by law that gives the individual notice and the opportunity to contest the legitimacy of the request (except for emergencies and situations where notice would jeopardize the investigation).

The Committee recommends that these principles be applied as follows: (Detailed application of the principles would vary to reflect differences in the types of records and practices of record keepers.)

Propose Federal legislation

Medical records
Banking records (Some principles are already in law.)
Consumer credit records (Some principles are already in law.)
Public assistance records (This bill would be submitted in mid-1979 to spread out the demands on Congress and provide time for coordination with the welfare reform program and consultation with state officials.)

Propose standards for a uniform state law

Insurance records (This area traditionally has been regulated by the states, and several states are already developing privacy laws.)

Call for voluntary action by record keepers

Commercial credit records
Employment records

Take no action

Education records (A law is already in effect and working reasonably well.)

The Committee also endorses the Privacy Commission's proposal to restrict use of lie detectors and "pretext" interviews (intentional misrepresentation of interviewer's identity or purpose). Two additional areas are being considered for legislation: hiring investigations; and disclosure of data from electronic funds transfer systems operated by the Federal Reserve Board. These areas are not yet ripe for decision, but recommendations will go to you in January, so these bills can be included in the Message if you so decide.

The bills on medical, banking, consumer credit, and public assistance records would limit access by state as well as Federal agencies. This is necessary to the basic concept that these records be treated as confidential, but it may be opposed by some state and local officials. We will work closely with interested state groups in drafting the bills and will report to you if there are major problems.

Approve private sector policy (DPS, Justice, HEW, Commerce, and all other involved agencies except Treasury recommend) _____

Develop more limited policy (Treasury recommends) _____

## Federal Activities

Federal agency access to individuals' medical, consumer credit, and public assistance records would be restricted by the bills proposed above. The restrictions would be comparable to those in the Financial Privacy Act of 1978, which covers bank records. That Act, which the Administration helped develop, gives an individual notice that an agency wants his records and an opportunity to challenge the agency in court. The Act was designed to prevent abuses such as Watergate-type harassment of political opponents without impeding legitimate law enforcement functions. All agencies concur, although Justice wants flexibility to adjust the procedures for access and Civil Service wants an exemption for investigations of Federal employees. These concerns should be resolved in the process of drafting the bills. You will be informed if there are any major issues.

The Privacy Commission proposed major revisions in the Privacy Act of 1974, which governs Federal record keeping practices. The Committee recommends deferring such action until 1981 because the Act is too new to be sure how it should be changed. The Committee does recommend proposing legislation to ensure that information collected by the Federal Government for research or statistical purposes not be used against individuals. It also recommends several specific administrative steps to improve privacy safeguards, such as ensuring that each agency has an office responsible for privacy oversight and improving the selection and training of the people who manage the government's record systems.

In addition, the Privacy Commission recommended creation of a new privacy agency. The Committee recommends against that. It suggests instead that OMB retain its present function of overseeing Federal record keeping practices and that Commerce be designated the lead agency on other privacy matters.

Approve Federal policy
(All agencies recommend) ✓ Disapprove _____

TAB B

THE WHITE HOUSE

WASHINGTON

December 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT
JUANITA KREPS
Co-Chairmen, Privacy Coordinating Committee

SUBJECT: Administration Privacy Policy

When Congress passed the Privacy Act (covering only Federal government records) in 1974, it created a commission to study privacy and recommend additional steps, including possible coverage of the private sector. The Privacy Protection Study Commission reported last year, and you directed an interagency review, through the Domestic Policy Review process, of those recommendations and related privacy issues. The review was conducted by a Coordinating Committee made up of the key affected agencies. This memorandum summarizes the Committee's conclusions and recommends an Administration privacy policy.

The Commission's report--and this review--focus on one aspect of the privacy issue: recorded information about individuals. The Administration is addressing other key privacy issues--e.g., revision of the wiretapping statute, a response to the Supreme Court's Stanford Daily decision, and the charter for the intelligence community--through other processes. This memorandum does not cover those issues, but they will be mentioned in any Message to Congress.

The issues surrounding recorded information, however, are extensive. They go beyond the traditional privacy concept of confidentiality and extend to fairness in the way records are collected and used. They include concerns about intrusive information collection practices, the propriety of collecting some kinds of information about people, the accuracy of recorded information, and the use to which records are put.

## BACKGROUND

Privacy concerns have been developing for the past several decades and are the product of fundamental changes in the economy and the government. In the last quarter century, the amount of information collected about individuals has increased dramatically, along with the importance of recorded information to people's lives. Most Americans do some of their buying on credit, and most have several kinds of insurance. Institutionalized medical care is widely available, and government social service programs reach deep into the population. Recorded information mediates these relationships between people and organizations, affecting the decisions whether to grant increasingly important benefits and rights.

Accompanying this social change has been an explosion of information technology, particularly in computers and telecommunications, permitting organizations to collect, process, and disclose more and more information about individuals at declining cost. At the same time, technology has introduced new problems. One example is the potential accumulation of personal information as a by-product of new services created by the technology--for example, electronic funds transfer and electronic mail. The growing availability and decreasing cost of computer and telecommunications technologies thus provide both the impetus and means to perform new record-keeping functions. The pace of technological development will accelerate this trend in the future.

Legal protections have not kept pace with these social and technological changes. When our legal structure developed, most information of an intimate or revealing nature, such as financial records, was held by the individual. Thus, the laws protecting personal information, like the Fourth and Fifth Amendments, were designed to protect information in the actual possession of the citizen. Today, much personal information is relinquished to organizations, including governments, which demand it in order to provide essential services. In most cases, this information then becomes the property of the record keeper, and the individual gives up all legal rights over it. This principle was stated by the Supreme Court in a 1976 case, United States v. Miller, which held that an individual has no legitimate "expectation of privacy" in his bank records and thus no legal interest for courts to consider. As a result, the individual has little protection against others obtaining and using financial, medical, and similar personal information about him.

Information privacy proposals aim to remedy problems created by the everyday collection, use, and disclosure of information by organizations, including the government. The routine or careless use of recorded information can be as much a source of harm or unfairness to an individual as the intentional misuses of that information. The policy proposed here is therefore directed as much toward preventing problems and correcting systemic imbalances as toward remedying specific past abuses.

Privacy safeguards may conflict with other public-policy interests, notably the legitimate needs of business, government, and other institutions to collect, use, and disclose information about individuals. Because record management practices are central to the operation of many organizations, privacy protection measures have the potential to fundamentally change the way in which organizations do business and the values which control their decisions. Burdensome controls on such use of information could harm not only the effectiveness of these organizations, but also the individuals to whom they provide benefits and services. Thus, the Committee has sought to provide privacy protection with a minimum of burden and without new regulatory programs or restrictions on government openness. Nevertheless, the recommendations would extend Federal controls over some segments of the private sector and would impose some burdens on law enforcement and other agencies. Moreover, creating legal rights instead of a new regulatory structure will impose some additional burden on the judicial system. The Committee believes these modest burdens are outweighed by the positive advantage to individuals of these proposals.

## Current Privacy Statutes

The Privacy Act of 1974 regulates the collection, maintenance, use, and disclosure of personal information in the Federal sector. It requires public notice of agency record systems, provides for individual access to personal records, sets up procedures for an individual to correct or amend records about himself, and limits disclosures of records. Congress limited the Act to Federal records, and established the Privacy Protection Study Commission to determine whether the Act's principles should be applied to records maintained by the private sector and state and local governments.

A number of Federal statutes already apply limited privacy protections to some non-Federal record keepers:

- consumer reporting agencies (organizations that supply credit history and individual background information to credit grantors, insurers, employers, and others) are covered by the Fair Credit Reporting Act;
- educational institutions are covered by the Family Education Rights and Privacy Act;
- some of the records created in the course of credit transactions (the Fair Credit Billing Act) and debt collection (the Fair Debt Collection Practices Act) are covered; and
- the Congress recently passed the Administration-supported bill to regulate Federal agency access to financial records (the Right to Financial Privacy Act of 1978).

These statutes are narrow, however, and there are no Federal statutes governing privacy for most of the major non-Federal record keepers, including insurers, medical care providers, employers, and most state and local government agencies.

In addition, virtually all of the states have passed statutes or constitutional amendments protecting personal privacy for various types of records. Six European countries have passed privacy laws since 1973, and the OECD (with active U.S. participation) and the Council of Europe are currently drawing up conventions to harmonize national privacy laws.

Political Environment

The proposed privacy policy is neither new nor radical; it builds upon ten years of studies and on the experience gained under the statutes discussed above. The Committee has discussed the options with the Hill and interested business, public interest, and state government groups. While there are divergent points of view on many of the specific proposals made by the Privacy Commission and contained in the Committee proposal, there is a broad consensus on the need for the adoption of a national privacy policy.

Recent opinion polls (summarized in the appendix) demonstrate significant public concern over the erosion of personal privacy. Americans apparently are concerned about the confidentiality of government-held records, particularly tax returns, and about invasions of privacy that occur in day-to-day consumer transactions.

In Congress, several House and Senate committees have held privacy hearings recently. Only one bill was passed by the last Congress, however--the Right to Financial Privacy Act, a bill the Administration helped develop. Currently, the most intense Congressional interest is in protecting medical records.

International considerations are also exerting pressure for privacy action. Many United States firms use international technology in their own operations; others provide data processing services for firms located in foreign countries. International banking and trade increasingly depend upon international data networks. Several European nations are adopting laws that prevent such data flows unless the nations involved provide equivalent privacy protection. A clear U.S. policy and a designated focal point within the Federal government are needed to help ensure that such laws do not disrupt international data flows.

## I. RECOMMENDED POLICY: PRIVATE SECTOR

### Basic Privacy Policy

The Committee endorses the following basic privacy principles, derived from the more extensive proposals of the Privacy Commission, to be applied to certain categories of particularly sensitive personal records as discussed below. This policy would apply only to records about individuals; it would not extend to records about businesses or other institutions.

- o Notification of Record-Keeping Practices
  Record keepers should inform an individual of their information collection and disclosure practices and should be obliged to adhere to those statements.

- Access to Records
  An individual should be able to see and obtain a copy of reasonably retrievable records about himself.

- Challenge the Accuracy of Information
  An individual should be able to challenge the accuracy of information about himself, and the record keeper should be obliged either to correct the record or report that the individual disputes it.

- Reasons for an Adverse Decision
  An individual should be entitled to know the basis for an adverse decision made about him.

- Expectation of Confidentiality for Records
  Record keepers should not disclose information except where disclosure is:

  -- necessary to serve the relationship;

  -- necessary to protect the record keeper against improper action by the individual;

  -- necessary to protect the individual;

  -- authorized by the individual; or

  -- to a government body, through a process established by law.

- Restrictions on Government Access to Records
  When a government agency or official seeks access to personal records in which an individual has a legally enforceable expectation of confidentiality:

  -- the government must use a formal process, such as a subpoena or a summons (which are compulsory), or a formal written request (which is not compulsory);

-- the individual must be formally notified of the request except in certain specified situations; 1/ and

-- the individual will be given the right to challenge the disclosure in court.

Application of Proposed Policy

The Committee recommends that the Administration, in a Message to the Congress, announce its support for these principles to apply to categories of records as follows: 2/

Medical records: The Administration would prepare legislation providing a right to see, copy, and challenge accuracy as well as an expectation of confidentiality and restrictions on government access.

(All recommend) Approve ✓ Disapprove _____

Banking and consumer credit records (including institutions that prepare investigative consumer reports): The Administration would prepare a bill with the above protections, as well as notice to the individual of the institution's information practices and a right for the individual to know the reason for an adverse decision about him. (These last two protections are generally not relevant for medical records.)

We don't to eliminate credit ratings, etc.

Approve ✓ Disapprove _____

(All agencies recommend approval except Treasury.)

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1/ Exceptions to required notice include instances where prior notice could result in flight from prosecution, the destruction of or tampering with evidence, or endangering the life or physical safety of any person. In such cases, subsequent notice would be required. In addition, any legislation would contain exemptions similar to those in the Financial Privacy Act (e.g., foreign intelligence, Secret Service, and grand juries).

2/ The details of how the principles are applied would vary from one category of record to another and would be developed in the legislative drafting process.

Insurance records: Except for possible limitations on government access, no Federal legislation is recommended at this time, because the insurance industry traditionally has been regulated by the states. However, the Administration would lay out principles for a uniform state code providing the same protections for insurance records as provided for banking and consumer credit records. (States are beginning to enact privacy laws for insurance, and the national insurance companies strongly desire uniformity.) To help encourage the states and the industry to act, the option of seeking Federal legislation imposing minimum standards would be left open for review in 1980. The limitations on Federal government access will be considered later this year after the pattern of state activity begins to emerge.

(All recommend) Approve ✓ Disapprove ____ J

Commercial credit records: No legislation is recommended. The Committee recommends calling on the industry to voluntarily adopt procedures that allow the individual who is the subject of information in a commercial credit report to see, copy, and challenge the accuracy of commercial credit records, and to be told, on request, the basis for an adverse decision based on those records. Depending on the response, the possibility of seeking legislation would be reviewed in 1980.

(All recommend) Approve ✓ Disapprove ____ J

Public assistance and social service records: The Coordinating Committee agreed that these records should have protections similar to those listed for banking records, except that individuals generally already have administrative avenues to learn the reasons for adverse decisions. The Committee also believes that specific privacy protection standards should be a condition of Federal funding. Because of the complexity of this issue and the need to coordinate with state and local government agencies, as well as the Administration's own welfare reform proposals, legislation in this area will be prepared later in 1979.

(All recommend) Approve ✓ Disapprove ____ J

Employment records: The Privacy Commission generally recommended a voluntary rather than mandatory approach for employment records primarily because it believed laws in this area would be difficult to enforce without creating an elaborate regulatory structure. The Committee agrees, based on the evidence available to it to date, and recommends that the Administration use the Privacy Commission's guidelines as a Voluntary Code for employers. The Department of Labor would chair a task force to promote this Code with employers and to consider any revisions. The task force would also examine the effectiveness of state laws (e.g., the recently enacted Michigan statute providing employee access to employment records) with an eye toward the larger question of whether Federal legislation for employment records might be necessary or desirable in the future. Commerce, Defense, and the Civil Service Commission would serve on the task force. (The latter two agencies need access to employment records for their personnel investigations).

There are, however, two immediate legislative matters in addition to this Voluntary Code. First, the Committee recommends legislation to prohibit "pretext" interviews in employment (i.e., the intentional misrepresentation of the interviewer's identity or purpose). The second issue is whether procedural protections along the lines of the Fair Credit Reporting Act (FCRA) should be legislatively applied to records generated by employers that conduct their own pre-employment investigations of job applicants. Ordinarily, the reports of such investigations are covered by the FCRA because they are conducted by a consumer reporting agency at the request of an employer. Increasingly, however, such investigations are being conducted by the employer without outside help. The Committee agreed that this is a substantial issue whose facets have yet to be resolved (e.g., whether any remedy, even if limited to records generated in the hiring process, would significantly undermine the basic approach of voluntary compliance, and whether it would or should create an expectation of confidentiality). The task force will give you a recommendation on whether to proceed legislatively in January, before the Message is submitted to Congress.

(All recommend) Approve ✓ Disapprove ____ J

Education records: The Committee concluded that the Family Education Rights and Privacy Act is working well enough and recommends that it not be changed at this time.

(All recommend) Approve ✓ Disapprove _____

Other areas: The Committee also recommends that the Message:

- o affirm the existing Federal policy of avoiding action which would foster the development of a uniform personal identification number, such as the Social Security Number; and

- o support restrictions on the use of polygraph and similar devices in private employment.

(All recommend) Approve ✓ Disapprove _____

Anticipated Reaction

Because the Committee's proposal involves increased Federal involvement, some in private industry can be expected to oppose it. Some businessmen, particularly in the insurance and credit industries, fear that establishing privacy rights for the individual may lead to prohibitions on the collection and use of information they believe they need. They also believe that providing formal notice of their information practices to consumers will be costly and unnecessarily burden business transactions. Specific policy opposition can also be expected to any proposed Federal regulation of the insurance industry, and some segments of the banking industry will object to restrictions on their use and disclosure of information.

Some business leaders in each of the affected industries, on the other hand, can be expected to support this proposed policy. A number of industry associations have endorsed the Privacy Commission's report, and others have prepared draft legislation or voluntary practice codes incorporating its recommendations. (E.g., a major insurance company is widely advertising that it is voluntarily complying with the Privacy Commission's recommendations.) While any privacy policy will create some new administrative burdens on business, the proposed procedures are believed by many businessmen to be manageable, particularly in light of alternative solutions that entail extensive and perhaps costly government regulations.

Moreover, the proposed policy does not go as far as the Privacy Commission; a few Commission proposals that appeared to impose disproportionate costs have been dropped (e.g., the requirement to use reasonable care in the selection of support organizations).

The proposed policy would minimize government intervention into business decisions by providing "self-executing" enforcement. Individuals would be empowered to sue to compel a record keeper to comply with the law and to seek compensation for violations; Federal enforcement action would be limited to cases of repeated or systemic violations. This strategy would avoid creation of new regulatory programs. Nevertheless, the proposed policy does involve increased government intervention into private sector record-keeping practices.

Another area of controversy arises from the fact that making private sector records confidential restricts government agencies' access to them. To reverse the Miller decision and establish a legally enforceable "expectation of confidentiality" for private sector records, two legislative steps are required:

1) a legal duty must be placed on the record keeper prohibiting unauthorized disclosure of the record; and

2) when government seeks access to records, the individual must be notified and given a chance to contest the government's need for the information in court.

Disagreements among the agencies on the procedures Federal agencies should follow when seeking access to confidential records have been resolved in large part in the process of developing the Administration's position on the Financial Privacy Act. For financial records, the Act provides the basic privacy safeguards of notice to the individual and the right to challenge government access in court (i.e., the second half of the expectation of confidentiality described above). These steps do impose administrative burdens on legitimate agency activities, but the agencies will still be able to obtain the information they need. Some privacy advocates argue that these protections are too weak

because they require only a minimal showing of need by the agency, but a stricter standard could hamper law enforcement. The basic goal of the proposed policy is not to halt government access to records, but to strike a balance between the government's ability to obtain personal information and the individual's right to protect it from disclosure when not relevant to a legitimate law enforcement inquiry. Requiring prior notice and an opportunity to challenge will prevent Watergate-type abuses--such as gathering records to harass political opponents--but will not cripple legitimate functions. This middle position will be criticized by both extremes, but the fact that it attracted broad support in Congress suggests that it strikes the right balance. The procedures in this bill will serve as a guide for other areas, although there may be some variations to reflect differences in the kinds of records covered.

At the same time, some agencies which currently obtain access informally believe they will need legislation providing formal, compulsory process. Such authority should be granted only when it is really needed, and these requests can be evaluated on a case-by-case basis when they are received.

In addition, the Civil Service Commission strongly opposes the mandatory or voluntary application of an expectation of confidentiality to any records, except medical, as being too restrictive on the ability of the Commission and other Federal agencies conducting personnel employment and security investigations to obtain required, mandated information. The Commission seeks exemption from this recommendation. Its problem probably can be resolved by having applicants authorize Commission access to their records; if major concerns remain after the bills are drafted, we will report them to you.

The matter of state and local government agency access to records may be controversial. Some state officials will argue that the Federal government should do nothing to constrain the procedures by which state and local agencies collect information or conduct investigations. The Committee recommends against this position in the belief that allowing an exemption to the duty of non-disclosure on a private sector record keeper for access by state and local government agencies would render

the "expectation of confidentiality" meaningless. The Committee proposes, instead, that where Federal law establishes an expectation of confidentiality, the states be given time to enact procedures at least equivalent to the minimum Federal requirements. The Committee rejected an alternative strategy, which would have directly applied the new Federal access procedures to the states. Permitting, rather than directing, the adoption of new access standards, avoids possible Constitutional problems inherent in regulating state government activities, and also allows the states to adopt or continue more stringent requirements for access than those in effect for the Federal government. The Committee will thoroughly consult with state and local authorities during the process of drafting the bills and will inform you if they have major objections.

## II. RECOMMENDED POLICY: FEDERAL RECORDS

The review addressed four broad issues relating to Federal records:

1. The Privacy Act of 1974: The Committee recommends that fundamental changes in the Privacy Act be deferred until 1981. The Committee acknowledges the prevailing view that the Act is flawed but advises against taking any action at this time because: (1) the Act is still relatively new and there has been too little experience to decide how to revise it; and (2) there is little support in Congress for wholesale revision.

(All recommend) Approve ✓ Disapprove ____

2. Administrative Measures to Improve Privacy Protection for Federal Records: The Committee recommends the following non-legislative steps to improve Federal agencies' activities. These actions would be ordered by the OMB directives to be issued within six months.

   - o Extend the applicable requirements of the Privacy Act to apply to certain personal data systems operated by certain recipients of discretionary Federal grants;

   - o Strengthen administration of the "routine use" provision of the Privacy Act, which governs transfers of information (with due consideration to the needs of law enforcement agencies);

- o Assign responsibility to one office in each department and agency to oversee implementation of the Privacy Act and development of new information systems;

- o Establish guidelines on the responsibility, training, and appointment of the system managers required by the Privacy Act;

- o Adopt mechanisms to improve oversight of the privacy implications of new Federal information systems at an early stage in the planning process; and

- o Promulgate baseline standards governing those Federal agency regulations that require private sector record keepers to report personal information about their clients, customers, or employees to the government. These standards would govern what notice need be given to affected individuals, as well as how an agency may use and retain information acquired through these reporting requirements. OMB would also establish a procedure by which each agency would report annually to OMB, Commerce, and Congress what requirements it had in effect and the categories of uses of the information reported to it.

(All recommend) Approve ✓ Disapprove _____

3. Electronic Funds Transfer (EFT) Systems Operated by the Federal Reserve Board: The Committee recommends establishing a task force to prepare an options paper on whether, and to what extent, EFT systems should be operated by the government. This paper would consider both the privacy implications of government operation of EFT and the economic tradeoffs involved in deciding whether to limit such operation. (The Federal Reserve Board opposes preparing the options paper.) In addition, the relevant Congressional committees would be urged to hold hearings on this matter.

As an interim measure, some Committee members support legislation to restrict disclosure of EFT data. The Federal Reserve Board is currently drafting regulations to do so. Commerce will evaluate those rules and draft proposed legislation. In January, before the Message goes to the Congress, you will be given a recommendation or a request to resolve the dispute if the agencies remain divided.

Let's see how well FRB does

(All recommend) Approve _____ Disapprove _____

4. Research and Statistical Records: The Committee recommends that legislation be drafted establishing a policy of "functional separation" for Federal research and statistical records. This policy means that, except for a few situations (e.g., indication of intent to commit a violent crime), personal information collected or maintained for a research or statistical purpose may not be used to facilitate any action adversely affecting the individual to whom the record pertains.

(All recommend) Approve ✓ Disapprove _____

## III. ALLOCATION OF PRIVACY RESPONSIBILITIES

The Privacy Commission concluded that privacy has received inadequate attention in the government and that a center of expertise and leadership is needed. It recommended creation of a new agency to oversee Federal record-keeping and to continue developing privacy policy.

?

The Coordinating Committee recommended against creating a new agency. It believed that some of this role is being performed by OMB and that the rest of it can be assigned to an existing agency. It recommends these assignments:

- OMB will have the lead on privacy issues involving Federal record-keeping. It will continue the role assigned by the Privacy Act of providing oversight and guidance to the agencies on their record-keeping activities. (The possibility of creating a strengthened oversight unit to issue binding regulations will be examined with the rest of the Privacy Act in 1981.)

- The National Telecommunications and Information Administration (NTIA) in the Commerce Department, which has built up privacy expertise in the process of staffing this PRM, will:

  -- continue staffing this PRM by coordinating work on the legislative package which follows from it. (Any interagency disputes will be resolved through the normal legislative clearance process.);

  -- continue its present activity of developing and setting forth the privacy initiatives in the international area and coordinating U.S. preparations for participation in international conferences and negotiations, subject to the State Department's primary authority for the conduct of foreign policy; and

  -- study the consequences of the growth of information technology for privacy and monitor and evaluate non-Federal information privacy practices. Consistent with this responsibility, NTIA will provide expert advice to the President, White House staff, OMB, and the agencies on privacy matters, including proposed statutes and regulations.

These functions will require no new staff for OMB and only a small increase in NTIA's staff, to be accomplished through the normal budget process. The NTIA functions will not expand into any regulatory program.

In making these recommendations, the Coordinating Committee concluded that privacy is a "permanent" public policy issue which will not be resolved by any single initiative. In the past five years, three different Federal bodies have been created to study privacy. They assembled staff, issued reports, and then disbanded--a wasteful process that has damaged government efforts in this area. As information technologies proliferate, the Federal government will be under increasing pressure to attend to the privacy issue, and doing so effectively will require a stable body of expertise. Finally, although the Coordinating Committee does not propose

to establish a privacy regulatory authority as is the trend in Europe, foreign governments have indicated that they would like to deal with one focal point on privacy in the U.S. Government. The Committee's recommendation would assign that role to Commerce.

(All recommend) Approve ✓ Disapprove _____

## COST OF THE PROPOSAL

The Committee proposal is designed to achieve privacy protections with minimum cost, but it will impose some costs on the government and the private sector. Since no regulatory reporting structures are established, the costs will stem mainly from modifications to record-keeping practices and increased opportunities for litigation.

These costs are difficult to estimate (the cost of implementing the Privacy Act proved to be one-eighth the original estimates), and there is understandable uneasiness among some members of the Committee, particularly Treasury, on this score. Experience to date, however, suggests that the costs will not be substantial. A study commissioned by the American Bankers Association found that "as a percentage of bank income or bank expenses the costs of implementing and complying with the /Privacy Commission's/ recommendations are relatively small." Many private sector organizations are already beginning to adopt the Commission's recommendations.

Experience, and the few studies available, indicate the costs will depend strongly on the precise legislative language. For example, allowing banks and credit grantors to provide notices to their existing customers as part of the normal billing cycle, rather than through a special mailing, and allowing an extended period of time during which organizations could phase in some of the requirements, would significantly decrease costs. The bills will be drafted with an eye toward efficiency and cost reduction, and there will be consultation with industry on this score.

APPENDIX A: Coordinating Committee Proposed Application of Privacy Principles to Non-Federal Record Keepers

| Kind of Record | inform individual of practices | right to see and copy | right to challenge accuracy | right to know basis for adverse decision | expectation of confidentiality and restrictions on government access |
|---|---|---|---|---|---|
| Consumer credit (including investigative reports) | X | X | X | X | X |
| Commercial credit | | X | X | X | |
| Bank | X | X | X | X | X |
| Insurance | X | X | X | X | X |
| Employment | X | X | X | | |
| Medical | | X | X | | X |
| Social Service and Public Assistance | X | X | X | X | X |

NOTE: Principles are not applied in some areas because they are not appropriate to the type of record, e.g., there are no adverse decisions in medical records. In addition, the Coordinating Committee does not recommend that the Administration introduce legislation in all of these areas; some areas are recommended for voluntary action.

TAB C

THE SECRETARY OF THE TREASURY

WASHINGTON

C

DEC - 4 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Administration Privacy Policy

The Department of the Treasury has participated as part of the Privacy Coordinating Council in the development of the proposed Administration Privacy Policy. While we concur with the need for an affirmative administration posture on these issues, we cannot agree with all the final recommendations of the Coordinating Committee. We are concerned that they impose new potentially costly regulatory burdens on large segments of the private sector without any clear showing that they are necessary because of past abuses. This is inconsistent with your anti-inflation program.

The proposed policy would impose various requirements concerning private sector recordkeeping and decision making. Legislation would be sought this session concerning banking, consumer credit, medical, public assistance and social service records. State legislation would be sought for insurance records, and voluntary compliance would be sought for commercial credit and employment records. Federal legislation also would be endorsed for the former two categories if these alternative avenues did not produce the desired results.

While no reliable cost estimates have been developed for this program, the costs for private business in implementing it appear to be substantial. Because other existing statutes already impose some requirements in this area, the cost to the banking industry can be expected to be somewhat less than to some of the others. Nevertheless, a draft study involving eighteen banks prepared for the American Bankers Association (ABA) concerning the costs of some aspects of these recommendations estimates the initial start up costs at .55% of gross income and .1% of gross expenses. The recurring costs would be .29% of gross income and .05% of gross expenses. The actual costs of

the Coordinating Committee's proposals are likely to be far greater, however, since they would extend the access, copying and correction procedure requirements to all records, while the proposals studied by the ABA involve only records which are the basis of a decision adverse to the customer. Such costs when applied to the banking and the other industries are plainly inflationary.

This Administration has, and can continue to have, an excellent record in the privacy area. In this instance, however, we believe that absent a more definitive cost analysis, you should direct the Coordinating Committee to develop a less costly program for the private sector. Such a program might, for example, limit the access, copy, and challenge procedure to the adverse decision situation; weigh whether an access to records rule is necessary, if, as apparently contemplated, the reasons for an adverse decision are to be required in greater detail than is now the case under the Fair Credit Reporting Act; and refine the notification of practices provision so as to avoid the need for separate mailings and other potentially costly methods of implementation. At the same time, a more phased approach might be in order, initiating the policy in one area first, and then determining whether to move into others. It is not enough for a statement of policy, as the Coordinating Committee report does, simply to say that implementing legislation will be drafted with an "eye toward efficiency and cost reduction." It is important at this point in the inflation fight that you not be so personally identified with proposals that will be, and will appear to be, adding to the regulatory burden on industry. We, therefore, recommend that you direct the Coordinating Committee to present to you a modified less costly proposal.

Finally, we are also concerned about simply extending the restrictions on government access contained in the recent Right to Financial Privacy Act until we learn whether the complex compromise structure of that bill is workable. Because of their primary responsibility in this area, however, we are prepared on this issue to defer to the views of the Department of Justice.

Bob Carswell

Robert Carswell
Acting Secretary

## DISPUTED ISSUE

The Coordinating Committee was unable to agree on the following issue which is sufficiently important to need decision by the President at this time: whether to legislate an expectation of confidentiality for telephone toll records.

### Background

Telephone conversations between private persons are confidential, absent the consent of one party for a third party to overhear or monitor the conversation. Under present law, severe restrictions control the monitoring of such communications. If improperly gathered, the records of unauthorized telephone monitoring will be excluded as evidence in a court of law and could become the basis for a criminal action against the collector.

There is, however, a by-product of telephone communications which may reveal significant information about an individual and for which no such restrictions apply. This by-product is the telephone toll record--the record indexed by the name or number of the individual listing all toll calls (local or long distance) made by him and the telephone number to which he spoke. The Privacy Commission recommended that there be a legally enforceable expectation of confidentiality for these records.

AT&T, which maintains most of the telephone toll records in the United States, refuses to disclose toll records unless presented with a subpoena or other legal order. However, when presented with such an order, a telephone company is under no requirement to notify the individual involved. Moreover, even if the individual knows of the order, recent court decisions indicate that he has no protected legal interest to assert to contest the government's claimed need for access to the information.

On December 4, 1978, the Supreme Court agreed to hear a case in which the central issue is whether law enforcement agencies can, without a search warrant, monitor and record the telephone numbers called from a particular telephone. The Court's decision in this case should finally decide if an individual has a constitutional right to protect the privacy of the fact of his communications,

although many observers believe that other rulings by the Court in the last year leave little doubt that citizens will be found to have no constitutional right to privacy under these circumstances.

Arguments for Legislation:

The Commission recommended that there be an expectation of confidentiality for these records because it believed that the mere fact of communication between two parties may be as revealing as the content of the communication. An individual believes and expects that the information regarding whom he calls should be confidential and not open to any person to whom the telephone company should decide to make it available. Further, there is every indication that the record of calls will increase (e.g., more than just the current long distance calls), because of a number of changes rapidly occurring in the telephone industry. Therefore, the individual should be given notice of the request and an opportunity to challenge the disclosure in a court. Government is already required to obtain a search warrant to monitor telephone conversations and obtain the content of such communications, and the Commission saw no compelling reasons not to extend this requirement to the records of whom the conversation was between. A full, consistent privacy policy would include such protections.

Arguments Against Legislation:

Law enforcement agencies oppose this recommendation. They argue that the scope of the privacy interest in telephone toll records is considerably less than in other records covered by an expectation of confidentiality. While a rather detailed picture of an individual's life can be obtained, for example, from bank records showing where, how often, and for what purpose money was spent, toll records contain far less intimate information. Presently, toll records generally indicate only a relatively limited quantity of long distance numbers dialed from a telephone; they do not indicate local calls, which are far more numerous and revealing of a person's life. Even where a number is recorded, moreover, there is no indication of who actually received the call, and no information is recorded

as to the substance of the conversation. Warrants are required for actual monitoring of telephone conversations precisely because wiretapping does invade the privacy of conversations themselves, but that is a far greater intrusion than learning after the fact what number was called. Thus, the wiretapping analogy is inappropriate.

Imposition of an expectation of confidentiality will create procedural requirements for obtaining toll records that will delay investigations, particularly of whitecollar and organized crime offenses. In view of the limited privacy interest in such records, this burden on law enforcement is not justified.

Decision:

_____ Develop legislation to establish expectation of confidentiality for telephone toll records. (Commerce, Privacy Commission)

✓ Defer decision on expectation of confidentiality for telephone toll records until the Supreme Court rules and until the first year of experience under the Financial Privacy Act can be evaluated. (Justice, Treasury, Defense, DPS)

_____ Do not support such legislation.

TAB D

TAB E

The Harris Survey

ISSN 0046-6875

For Release: Thursday AM, June 15th, 1978

# INVASION OF PRIVACY CAUSES CONCERN

By Louis Harris

There is a rapidly growing concern among Americans about the invasion of their privacy. By 71-24 percent, a majority agrees that "Americans begin surrendering their privacy the day they open their first charge account, take out a loan, buy something on the installment plan or apply for a credit card." In 1974, only a narrow 48-43 percent plurality felt the same way.

The specific areas where people see likely invasions of privacy are these:

--An 85 percent plurality believes that "illegal wiretapping and other forms of electronic surveillance" are "probably" or "surely" going on in America today. A high 82 percent of this group feels that this activity is a "very serious" invasion of privacy.

--An 84 percent majority estimates that "legal wiretapping and other forms of electronic surveillance" are also common. Moreover, 58 percent of this group expresses the view that even legal wiretapping is a "very serious" affair.

--A 61 percent majority believes that "the Internal Revenue Service is not keeping individual tax returns confidential." And 62 percent of these people feel that this practice is a "very serious" invasion of privacy.

--A 79 percent majority is convinced that "credit businesses are selling information about an individual's credit standing." And 60 percent of them see such practices as a "very serious" invasion of privacy.

--A 71 percent plurality now believes that it is common practice for "the government to say whether or not a person can look at files collected on that person." A substantial 60 percent majority views this as a "very serious" violation of individual privacy.

--A 71 percent majority also holds the view that "employers are sharing information from their employees' personnel or medical records." Fully half of these people feel that such sharing practices are a "very serious" matter.

According to this recent Harris Survey of 1,458 adults nationwide, majorities of Americans also feel that certain other practices that they see as invasions of privacy have now become common. Among these are unsolicited phone calls selling products or services, unsolicited mail advertising products or services, bank and loan companies asking personal questions when someone applies for a loan and the use of one's Social Security number as an identification on all records. Other common invasions of privacy that were cited were insurance companies sharing information gathered about an individual, credit card companies sharing information gathered about their customers' buying habits, and companies that conduct much of their business over the telephone monitoring calls to be sure their employees are following correct procedures.

In the light of these findings, it is no surprise that a 77-17 percent majority now believes that someone could "easily put together a master file on me that included such things as credit information, my employment record, my phone calls, where I've lived for the past 10 years, my buying habits, my payment record on debts and the trips I have taken."

Most people believe that the computer is the instrument that makes such a compilation of their personal habits possible. By 54-33 percent, a majority now believes that the present uses of computers generally are "an actual threat to personal privacy." This latest result marks a sharp rise in the number who are critical of the uses of computers. Only last year, a narrow 44-41 percent plurality denied that computer uses were a threat to their privacy, and in 1976, a 51-37 percent majority expressed no real worry about computers.

In the past few years, the issue of privacy has become a matter of national concern. When Americans are asked how fully they enjoy certain rights and freedoms, majorities of 80 percent or more are satisified that they have full and complete freedom and rights in such matters as religion, speech, education and travel. However, when asked about "privacy in your personal life, without others knowing more about it or intruding into it more than is absolutely necessary," only 62 percent feel they have such full and complete privacy. Among the college-educated, an even lower 52 percent feel this way.

Obviously, sizable numbers of Americans feel that their personal privacy is in jeopardy and remedies are sorely needed.

(Over)

TABLES

Between December 27th and January 10th, the Harris Survey asked the cross-section:

"I'm going to read you a list of rights and freedoms which some people consider important in this country. How much do you feel you have the (READ LIST)--fully and completely, partially but not fully, or not at all?"

HAVE RIGHTS AND FREEDOMS

| | Fully and completely % | Partially but not fully % | Not at all % | Not sure % |
|---|---|---|---|---|
| Freedom of religion | 96 | 3 | * | 1 |
| Freedom to travel anywhere in the country you want to go to | 95 | 5 | * | * |
| Right to read a free press | 89 | 9 | 1 | 1 |
| Right to a good education | 87 | 11 | 1 | 1 |
| Freedom to live where you want to | 86 | 12 | 2 | * |
| Freedom to speak your mind as a consumer | 84 | 13 | 2 | 1 |
| Freedom to look for another job if you don't like what you're doing now | 84 | 12 | 1 | 3 |
| Freedom to vote for a candidate of your choice | 83 | 14 | 2 | 1 |
| Freedom to live your own life as you see fit | 76 | 22 | 2 | * |
| Privacy in your personal life, without others knowing more about it or intruding into it more than is necessary | 62 | 32 | 4 | 2 |

"Some people say that Americans begin surrendering their privacy the day they open their first charge account, take out a loan, buy something on the installment plan or apply for a credit card. All in all, do you tend to agree or disagree with this statement?"

STATEMENT ON SURRENDERING PRIVACY

| | January 1978 % | February 1977 % | January 1976 % | March 1974 % |
|---|---|---|---|---|
| Agree | 71 | 67 | 47 | 48 |
| Disagree | 24 | 24 | 47 | 43 |
| Not sure | 5 | 9 | 6 | 9 |



78:48

The Harris Survey



For Release: Monday, March 21, 1977

# OUR PRIVACY IN DANGER

ISSN 0046-6875

By Louis Harris

The percentage of Americans who feel their privacy is being threatened because of personal data collected and stored by the federal government and credit companies has risen sharply in the last year.

According to the latest Harris Survey of 1,522 adults, a clear 67-24 per cent majority agrees that "Americans begin surrendering their privacy the day they open their first charge account, take out a loan, buy something on an installment plan or apply for a credit card." A year ago, the public was divided 47-47 on the same question.

A 59-34 per cent majority feels that "organizations and agencies ask you too much personal information," compared to a 59-33 per cent majority who felt just the opposite a year ago. The percentage of the public who feels "threatened" by having personal information in files has grown from 23 per cent in 1974 to 32 per cent today.

This obvious jump in concern over privacy seems to be the result of the steadily accumulating demands for information made on the public by many organizations. A 54 per cent majority feels that personal information about themselves is being kept in some files somewhere "for purposes not known to me." A 48 per cent plurality felt that way a year ago, up from 44 per cent in 1974. The top two organizations named by the public for keeping such information are the federal government, cited by 54 per cent, and credit companies, cited by 50 per cent. Although people see credit company data banks growing, the federal government's records are seen as a greater threat to individuals than those of credit companies, businesses or employers.

The Harris Survey also asked the public how long certain types of records should be maintained before being destroyed, and the results show widespread public aversion to the keeping of personal data in many areas:

-- A 59 per cent majority believes that records about an individual's "political affiliations and associations" should never be stored.

-- A substantial 60 per cent majority thinks there should be no computer storage of "a complete record of all the telephone calls made from a particular telephone number."

-- People would place a one-year limitation on the storing of "police records of any person arrested on suspicion of a crime" and of "the results of psychological tests."

-- The public would permit "intelligence test scores" and a "complete history of a person's traffic violations" to be kept on file for three years only.

-- People feel that "complete credit information about a person" and a record of "weapons owned by an individual" could be stored in a computer up to five years.

-- The public supports keeping the "mental health records of an individual" no more than six years.

-- People would allow "a student's academic record" to remain stored up to eight years, and "a worker's employment record" up to 10 years.

The only records for which a majority of the public would support computer storage for 25 years or more are "police records of any person who is arrested and then convicted of a crime" and "an individual's medical record."

A 75-10 per cent majority thinks it is important for the government to enact legislation similar to the 1974 Privacy Act to federal government records that would "lay down rules for the way business and other private organizations should deal with information they have collected about their customers, employees and other individuals."

## TABLES

The Harris Survey asked the national cross section:

"Some people say that Americans begin surrendering their privacy the day they open their first charge account, take out a loan, buy something on the installment plan or apply for a credit card. All in all, do you tend to agree or disagree with this statement?"

SURRENDER OF PRIVACY IN PERSONAL FINANCES

| | 1977 % | 1976 % | 1974 % |
|---|---|---|---|
| Total Public | | | |
| Agree | 67 | 47 | 48 |
| Disagree | 24 | 47 | 43 |
| Not sure | 9 | 6 | 9 |

TABLES (cont'd.)

"Do you believe that personal information about yourself is being kept in some files somewhere for purposes not known to you, or don't you believe this is so?"

INFORMATION ON FILE FOR PURPOSES UNKNOWN

| | 1977 % | 1976 % | 1974 % |
|---|---|---|---|
| Total Public | | | |
| Believe | 54 | 48 | 44 |
| Don't believe | 32 | 43 | 44 |
| Not sure | 14 | 9 | 12 |

"Do you feel threatened in any way by having information about yourself in some files, or don't you feel threatened by that?"

FEEL THREATENED BY INFORMATION ON FILE

| | 1977 % | 1976 % | 1974 % |
|---|---|---|---|
| Total Public | | | |
| Feel threatened | 32 | 27 | 23 |
| Don't feel threatened | 62 | 69 | 75 |
| Not sure | 6 | 4 | 2 |

"Now I'd like to ask you about some types of information that have been suggested for collection and storage in computers. For each, would you tell me how long that type of information should be kept in the computer before it is erased -- one year, five years, 10 years, 25 years, or a person's whole lifetime, or should it never be stored at all?"

TIME PERIOD INFORMATION ON INDIVIDUALS SHOULD BE STORED IN COMPUTER

| | Median Time Period (in years) % |
|---|---|
| Political affiliations and associations of a person | Never |
| Complete record of all calls made from a particular number | Never |
| Police records of any person arrested on suspicion of a crime | 1 |
| Results of psychological tests | 1 |
| Intelligence test scores | 3 |
| A complete history of a person's traffic violations | 3 |
| Complete credit information about a person | 5 |
| Weapons owned by an individual | 5 |
| Mental health record of an individual | 6 |
| A student's academic record | 8 |
| A worker's employment record | 10 |
| Police records of any person arrested and then convicted of a crime | 25 or over |
| An individual's medical record | Lifetime |


77:22

TAB F

THE NEW YORK TIMES, SUNDAY, DECEMBER 3, 1978

# Reports on Privacy Safeguards Prepared for Carter

By DAVID BURNHAM
Special to The New York Times

WASHINGTON, Dec. 2 — The Carter Administration is nearing the end of a yearlong study of how to protect computerized personal records against misuse by Government agencies and private companies.

The results of the study, in two reports nicknamed "Big Blue" and "Baby Blue" because of the color of their covers and their relative size, are expected to be placed on the President's desk next week.

The decisions based on them could affect the basic investigative powers of the police and prosecutors throughout the United States, the relationships between patients and doctors and the operations of the insurance and credit industries.

Big Blue is a 207-page report describing the various privacy issues and possible solutions to them. Baby Blue is a far briefer report on the issues requiring Mr. Carter's decision. Both were prepared by an interagency committee headed by Stuart E. Eizenstat, assistant to the President for domestic affairs, and Juanita M. Kreps, Secretary of Commerce.

Among the key issues and possible options for Mr. Carter discussed in the two reports are the following:

¶What restrictions should be placed on the access of Federal investigative agencies to personal records held by employers, doctors, the telephone company and other institutions. Federal law enforcement officials within the Government have strongly lobbied for minimal controls, while the privacy commission recommended procedures to reduce Federal access sharply.

¶Whether the restrictions ultimately imposed on Federal agencies should be extended to include local and state law enforcement agencies. Police chiefs and

Continued on Page 22, Column 1

# Report Is Prepared for Carter on Options for Safeguarding Privacy of Personal Records

Continued From Page 1

district attorneys are expected to mount a potent lobbying effort against any move to limit their access to personal records. But failure to include such officials could make a promise of privacy an empty one.

¶Whether Federal restrictions limiting access to personal records should be extended to cover insurance companies. Insurance regulation has long been left mostly to the states. But a Federal law in this area would guarantee a uniform standard throughout the United States.

¶How much power should be granted an individual to examine and correct records about him held by various institutions. Many organizations are deeply concerned about the expense and administrative difficulty of opening their files to individual citizens. But without regular procedures to correct inaccuracies, great economic and other damage can be unjustly done to citizens.

### Laws to Protect Information

"When our existing legal structure was developed," the confidential White House report known as Big Blue said, "most information of an intimate or revealing nature, such as financial records, was in the exclusive control of the individual. Thus, the laws protecting personal information, like the Fourth and Fifth Amendments to the Constitution, were designed to protect the information in the actual possession of the citizen."

Because of the large number of public and private investigators seeking personal information from such institutions as banks, hospitals and employers, and because an overwhelming proportion of these approaches are made on an informal basis, it is impossible to estimate the frequency with which computerized information about an individual may be obtained without his knowledge or permission.

One large California bank provided an imperfect yardstick of the apparent extent of such requests, however, when in September 1977 a spokesman told a House subcommittee that it received about 1,000 inquiries a month from Federal and local law enforcement agencies. There are 230 national and state chartered banks in California.

Congress's approach to the privacy issue has so far been very limited. The Privacy Act of 1974, for example, largely concerns what kinds of personal information the Government can make public rather than imposing restrictions on what information it can obtain either within the Government or from private sources.

### Effort Began Last Year

The Administration's effort to develop a policy on privacy was initiated a year ago by Mr. Carter, a few months after the Privacy Protection Commission issued a report containing 165 recommendations for legislative and regulatory changes to give individual citizens better protection from unnecessary snooping.

While it will be weeks or months before the proposals of the "Blue" studies are translated into specific recommendations, the Administration's policy about one of the most important of these issues — Government access to private records — may already be established.

Throughout the summer and fall, Administration representatives lobbied for what is called the Rights to Financial Privacy Act of 1978. The law, which passed Congress on Nov. 10, established procedures under which Federal agencies may obtain individuals' records held by banks.

Administration figures such as Attorney General Griffin B. Bell and Henry Geller, who heads the National Telecommunications and Information Administration, have applauded the law for providing an important new measure of privacy, while at the same time enabling Federal law enforcement agencies to continue the war against organized crime and political corruption.

### Long-Held Tenet Reversed

The central achievement of the privacy provision, they said, was that it reversed the long-held legal tenet, recently reaffirmed by the Supreme Court, that the individual citizen had no right to privacy when it came to bank records.

The supporters added that with certain exceptions the new law requires Federal agents to notify an individual when seeking his or her bank records and establishes a process by which the individual may challenge the Government's search in court.

While applauding the legislative establishment of presumed privacy of bank records, several experts are critical of some aspects of the law. They include Ronald L. Plesser, the former general counsel of the Privacy Protection Commission; John H. Shattuck, head of the Washington office of the American Civil Liberties Union; and Charles C. Marson, a professor at the Stanford Law School in California.

"Insofar as the law reverses the Supreme Court's ruling, the law is an advance," Professor Marson said. "But the procedures adopted by Congress make the law a charade."

Among the criticisms aimed at the law is that it will result in an increase, rather than a decrease, of bank examinations made by Federal investigators; that it does not provide adequate legal ground to challenge improper searches; and that the application of the law to individuals, and not organizations, will permit the Government to continue secret searches of the bank records of political action groups.

The New York Times

**Attorney General Griffin B. Bell**

United Press International

**John H. Shattuck**

While much of the criticism comes from experts outside the Carter Administration, at least some of the doubts have been articulated by the staff preparing the Presidential review memorandum on privacy for Mr. Carter.

In the Nov. 1 draft of Big Blue, a copy of which has been obtained by The New York Times, the staff said that a provision of the new law that authorizes all Federal agents to make voluntary, written requests for records "runs counter to the traditional notion of careful and limited grants of police power and may have the effect of increasing Government collection activities."

Assuming that most banks will comply with the informal written requests, the report to President Carter continued, "the effect — especially when the exceptions to notice requirements are made — may be to give every Federal agency the equivalent of compulsory process powers."

### Subject of Intense Lobbying

The development of both the Rights to Financial Privacy Act of 1978 and the broader Presidential review memorandum on privacy have been the subject of intense lobbying within the Administration as various Government agencies sought to protect what they viewed as their prerogatives.

Earl J. Silbert, the United States Attorney for the District of Columbia, for example, earlier this year voiced strong opposition to a key aspect of what has become the Financial Privacy Act. The expectation of privacy in bank records, Mr. Silbert wrote in a private memorandum to the Justice Department that was obtained by The Times is "misleading if not erroneous."

"To suggest that a person who pays for goods or services by check or credit is entitled to a level of confidentiality similar to that given to communications between husband and wife, or client and attorney, is absurd," Mr. Silbert argued.

Strong opposition to the privacy initiative, according to three Administration officials, also has been voiced by the Civil Service Commission, some branches of the military and Walter Haase, the official in the Office of Management and Budget in charge of information policy.

### Major Issue in U.S.

To counter the widespread opposition within the Government to various steps that would limit the right of agencies to examine the records of individual citizens, the report argued that privacy has become a major issue in the last three decades as virtually every American began making purchases on credit, became covered by some form of insurance or became eligible for Government programs such as Social Security.

In the same period, the authors of Big Blue said, the rapid development of computers has provided both the impetus and means for the easy collection and wide dissemination of increasing amounts of personal information.

The White House report quoted experts as warning, "We are faced by a slow but steady erosion of privacy which, if left unreversed, will take us in another generation to a position where the extent of our human rights and the vitality of our democracy will be jeopardized."

The report added, however, that there were important values that sometimes may conflict with the objectives of personal privacy or how these objectives are protected.

### First Amendment Is Cited

"Beginning with the First Amendment protections of freedom of speech and freedom of the press and continuing with more recent drives for open government, our society has continuously affirmed its concern for the free flow of information," the report said.

"To the extent that privacy protections involve restraints on the free flow of information about individuals, the values of privacy and the values of free speech have to be carefully balanced."

While the number of personal records outside the physical control of the individual and the machines that process these records have been rapidly growing, the formal legal protections have mostly stood still, the report said.

Big Blue noted that the Fourth Amendment's requirement that law enforcement agencies obtain a search warrant before entering a person's home has never been extended to protect the personal records concerning an individual that were in the files of a doctor or insurance company.

One result, the report contended, is that the individual citizen "has lost the reality of his constitutional protections against the biggest organization of them all — the Government."

CONFIDENTIAL

TO: President Carter
THROUGH: Rick Hutcheson
FROM: Ambassador Young
SUBJECT: U.S. Mission to the U.N. Activities, December 8 - 14

NAMIBIA

Three UNGA resolutions on Namibia are expected to be voted on in the UNGA Monday, December 18. The Five have agreed to jointly abstain on the resolutions on the procedural grounds that to take a position on their substance would complicate our role in the Namibia settlement effort.

Reappointment of UN Commissioner for Namibia - The UN Secretariat circulated a note from the Secretary General proposing the reappointment for one year of Martti Ahtisaari as UN Commissioner for Namibia. When the GA votes on the three draft resolutions on Namibia, the SYG's proposal will be orally put to the GA and, barring any unforeseen objection, approved.

General Assembly - The GA December 8 approved financing arrangements for UNDOF (United Nations Disengagement Observer Force) and UNEF (United Nations Emergency Force). A resolution appropriating $58,059,000 for UNEF for the period of October 25, 1978 - July 24, 1979, was approved 94-8-11. The resolution, appropriating $12,159,000 for UNDOF for the period October 25, 1978 - May 31, 1979, was approved 94-3-11.

On December 7, the GA adopted the resolution on the Middle East which, inter alia, calls for early convening of the Geneva Peace Conference. In three separate votes it also approved the resolution on Palestine which:

-- urges the Security Council to take action as soon as possible;
-- requests the Committee on Palestinian Rights to keep the situation under review and the Secretary General to ensure that the Special Unit on Palestinian Rights continues to discharge its task; and
-- requests the Secretary General to consider the strengthening and possible reorganization and renaming of the Special Unit.

The GA devoted December 11 to special meetings commemorating the 30th Anniversary of the Universal Declaration of Human Rights. The speeches are scheduled to conclude on December 14, after which the GA will act on a draft resolution. That draft, on National Institutions for the Promotion and Protection of Human Rights, takes note of a seminar on the subject which took place in Geneva in September, 1978, and requests the Commission on Human Rights to consider the guidelines suggested by the seminar and to make recommendations.

Security Council - Lebanon - On December 8, the SC adopted by consensus a statement by the President of the Council on UNIFIL. China, Czechoslovakia, Kuwait, and the USSR said they had wanted a condemnation of Israel. They were joined by India and Nigeria in suggesting that if the situation in southern Lebanon remains unchanged or deteriorates further between now and January 19, the renewal date for UNIFIL, the Council should consider further measures against Israel. The U.S. disassociated itself from any implication that the SC statement constituted a condemnation of Israel and noted that it was a carefully worded expression of concern and a call for cooperation with UNIFIL.

Panama - Lewis
(Nita & Samuel)
Print - box - Treaty

Paraguay - López Escobar
Navy - Law -
Hum Rts Com - Prisoners
Hydro
S Africa - Sole
Bonn - IAEA UN
NPT - VP - South Africa

Barbados - Jackman
Can - UN → Law + OAS
(Tom Adams P.M.)
Development

# THE PRESIDENT'S SCHEDULE

Revised:
5/16/77
9:00 a.m.

Monday - May 16, 1977

| | |
|---|---|
| 7:45 | Dr. Zbigniew Brzezinski - The Oval Office. |
| 8:15 | Mr. Frank Moore - The Oval Office. |
| 8:30 | Senior Staff Meeting - The Roosevelt Room. |
| 9:00<br>(2 hrs.) | Meeting of the Cabinet. (Mr. Jack Watson).<br>The Cabinet Room. |
| 11:00 | Mr. Jody Powell - The Oval Office. |
| 11:30 | Admiral Stansfield Turner and<br>Dr. Zbigniew Brzezinski - The Oval Office. |
| 2:00<br>(20 min.) | Mr. Bert Lance - The Oval Office. |
| 2:30<br>(35 mins.) | Presentation of Diplomatic Credentials Ceremony. (Dr. Zbigniew Brzezinski).<br>The Oval Office. |
| 3:00<br>(15 min.) | Meeting with Group from the Coalition for Fair Minimum Wage. (Mr. Landon Butler),<br>The Cabinet Room. |
| 3:30<br>(30 min.) | Meeting with White House Management Review Commission. (Mr. Bert Lance) - The Cabinet Room |
| 4:15 | Mr. Stuart Eizenstat, Mr. Jody Powell and<br>Mr. Jim Fallows - The Oval Office. |

THE WHITE HOUSE

WASHINGTON

ACTION 18 December 1978

TO: ZBIG BRZEZINSKI

FROM: RICK HUTCHESON

The President has indicated that he would like you to expedite the preparation of letters of appreciation to Army and Air Force units who did such a good job in Guyana and Jonestown. (He wrote a comment on my weekly follow-up report to him.)

Please get these to me today. Thanks.

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| | FOR STAFFING |
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| / | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
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| | | EIZENSTAT |
| | | KRAFT |
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| | | RAFSHOON |
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| | | WARREN |
| | | WISE |

draft note to Zbig.

THE WHITE HOUSE

WASHINGTON

15 December 1978

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON

SUBJECT: Status of Presidential Requests

THE FIRST LADY:

1. (11/20) Read the memo from Bess Abell concerning the Presidential Medal for the Arts and then see the President -- Done. done

WATSON:

1. (11/17) (and Kraft) Review the memo concerning the manner in which the 1980 Census is being approached and then see Secretary Kreps; the President is concerned -- In Progress, (Jack has met with Secretary Kreps; status report expected by 12/21).

ARMY SECRETARY ALEXANDER:

1. (11/30) Please comment to the President privately concerning allegations that the Corps of Engineers has used incorrect or misleading factors in assessing the advisability of the TN-Tombigbee Project; be concise and candid -- Done. done

OWEN:

1. (11/30) Why does a failure of MTN hurt the U.S. more than France or other countries involved? -- Done. done

MILLER:

1. (12/1) Please give the President a brief comment on HEW's efforts/appointments of minorities and women -- Done. done

JORDAN:

1. (12/6) The President would rather not host a White House reception for members of the Democratic Finance Council during the week of January 22. Please comment -- In Progress. done

2. (12/11) (and Kraft) The President wants you and Tim to avoid a series of White House staff vs. Cabinet articles on top personnel -- Message Conveyed. done

RAFSHOON:

1. (12/11) Please see the President concerning Mrs. Mondale's request for a Presidential Medal for Art -- In Progress.

SECRETARY KREPS:

1. (12/11) Please give Secretary Marshall a copy of the letters from business association leaders reacting to the President's remarks on anti-inflation -- Done. done

SECRETARY CALIFANO:

1. (12/11) The President wants you to invite Mrs. Bumpers to the opening of the Conference on Childhood Immunization -- Done, (Mrs. Bumpers was invited but could not attend). done

2. (12/11) If possible, the President would like for Charlotte Wilen to serve on the select panel on child health; she did an outstanding job in Georgia -- In Progress, (the Presidential Personnel Office is following-up with HEW).

BRZEZINSKI:

1. (12/4) Prepare for the President letters of appreciation to Army and Air Force units who did such a good job in Guyana with Jonestown -- In Progress, (expected 12/18). Expedite

2. (12/6) Security violations by members of the NSC staff are excessive. I like the letter of reprimand -- Message Conveyed. done

KAHN:

1. (10/26) Please present to the President your ideas for implementing our anti-inflation plans. The President wants major employers and unions to sign up; the President, Cabinet and staff will be eager to help. Set up a procedure to keep the President informed at all times about progress -- In Progress (Kahn plans to keep you informed through regular meetings). done

EIZENSTAT:

1. (12/6) Your security violations are excessive. Give a letter of reprimand to those in the future who are repetitive violators -- Message Conveyed. done

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 15, 1978

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

Subject: Housing Starts and Personal Income

On Monday, December 18, two additional statistics on recent economic performance will be released -- the November figures for personal income (at 10:00 a. m.) and housing starts at (2:30 p.m.). As with the other data coming in during the past week or two, those figures point to a strong economy in the fourth quarter.

Housing Starts

Housing starts were essentially unchanged in November, at an annual rate of 2.1 million units; residential building permits declined fractionally (1.6 percent). There is still no evidence that housing activity has begun to weaken in response to rising interest rates.

Personal Income

Personal income increased 1 percent in November, following an increase of 1-1/4 percent in October. The principal gain was in total wage and salary payments -- these disbursements rose 1-1/2 percent in October and an additional 1 percent in November. The large gains in wage and salaries reflect the sizable employment increases of the past two months.

Comments

We now have most of the figures available that the Commerce Department will use to construct its first (never to be published) estimate of real GNP growth in the fourth quarter. That estimate will be available about the middle of next week. Conversations with Commerce staff suggest that this first estimate may show a real GNP growth rate of roughly 5 percent. This would compare with 3-1/2 percent for the third quarter, and 4-1/4 percent for the first half of the year.

Economic growth rates bounce around considerably from one quarter to the next. I see no reason for thinking that a pickup of GNP growth in the fourth quarter should be interpreted as evidence of a new surge of growth that will continue into next year. But the economy is showing greater strength during the latter half of this year than we -- or any other forecaster that we know of -- had anticipated. That is strong support -- but not conclusive evidence -- for our view that a recession is not in sight.

It is becoming increasingly clear that most of those forecasting a recession are doing so, not on the basis of the current evidence, but in the belief that:

- o inflation will continue at high rates
- o the Fed will push interest rates up much further during the first half of 1979.

THE WHITE HOUSE

WASHINGTON

C

December 16, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JACK WATSON
STU EIZENSTAT

SUBJECT: Cleveland Fiscal Crisis

As you know, the City of Cleveland has defaulted on $15 million in notes held by local banks. The default is the unfortunate outcome of a very complex fiscal and political tug of war between the City Council, Mayor Dennis Kucinich and six local banks. Five of the six banks tentatively agreed upon a plan by which they would extend the notes until January 24, 1979. The plan called for a public referendum on increasing the city income tax and setting aside that annual increase to secure the bonds which would be issued on January 24th. The plan also called for the Mayor to seek state appointment of a fiscal officer who would oversee the city's finances.

The sixth bank, the Cleveland Trust Company, holder of one third of the $15 million in notes, apparently would not agree to the extension. The default occurred at midnight last night.

Economic Effect of Default.

The default will have no impact upon the national, state, or other Ohio cities' municipal markets. In effect, the market has assumed a default for some time.

Consequences on the City of Cleveland.

The results of the default on the city government are unclear. Following the New York City fiscal crisis, the federal bankruptcy laws, as they relate to municipalities, were amended to make it easier for such governments to enter into bankruptcy. We have talked with Ira Millstein (an expert on bankruptcy law, New York City's advisor during the fiscal

crisis, and one of the prime authors of the new federal law). The City of Cleveland has also consulted with Ira.

Following default, if both sides are reasonable, there might be no substantial effect for several days or weeks. On the other hand, if the sides are antagonistic, there can be serious and immediate repercussions.

For example:

- Any bank holding notes could offset existing city deposits for the amount of the notes they are owed. If that were done, the city's ability to pay fire, police and sanitation salaries (these three services cost the city approximately $1.7 million per week to manage) might be jeopardized. In order to prevent the bank's attachment of those deposits, the city would have to voluntarily file a petition for bankruptcy. The moment a petition is filed with the courts, the banks would be precluded from attaching any funds. It would then be up to the court to allow the city to spend money for any particular services. It is highly probable that the court would allow the city to pay for health, safety and other essential services.

- Nevertheless, other serious problems could result. Those who deliver food to the schools might refuse to do so except on a cash basis. Workers might demand pay each day, rather than weekly or bi-weekly. Other important city services and operations that are not absolute necessities for health or safety might be substantially cut back.

For the most part, the city's immediate future depends on the reasonableness of all the parties involved.

Recommended Administration Position

-- The Federal government lacks the authority to provide the assistance necessary to resolve Cleveland's short-term problem. It cannot guarantee Cleveland's general obligation bonds, grant funds for fiscal relief, or accelerate Cleveland's General Revenue Sharing payments.

-- The Administration's policy, as was illustrated with New York City, is to limit its intervention to instances in which two conditions are met: (1) the relevant municipality and State have exhausted their ability to resolve the crisis; and (2) failure to resolve the crisis will have a broad impact on municipal borrowing costs. Cleveland meets neither criterion.

-- The differences between the New York City and Cleveland situations are extreme. The financing prospects of New York City and New York State are intertwined; the City's budget actually exceeds the State's, and the City's bankruptcy would have closed the bond markets to the State, which in turn would not only have forced New York State's default, but threatened the viability of the present municipal borrowing structure.

In contrast, Cleveland's population is 5% of Ohio's, direct State aid is minimal, and there is no interdependency of finances or debt. In fact, New York State advanced the City $800 million, borrowed on behalf of the City, enacted a fiscal control monitor, and witnessed the deterioration of its credit standing because of the City's plight. Ohio has done very little to assist Cleveland, either by upgrading its financial practices or helping in Cleveland's current fiscal plight. Whereas New York City had $4.5 billion in outstanding short-term debt (approximately one-quarter of all state-local short-term debt), Cleveland has only $41 million in outstanding short-term debt, all but $15 million of which is held by City funds or by the City itself. Finally, while New York City and State are high tax effort governments, Cleveland has the lowest income tax among Ohio's major cities and has not had a tax increase since 1972. Ohio has a moderate State tax effort and a low debt burden.

-- The White House and federal agencies have already indicated a willingness to assist Cleveland where it has pending grant applications for Federal funds. However, Cleveland's financing crisis is a local problem, and there are resources available at the State and local level to resolve it.

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6298

THE WHITE HOUSE
WASHINGTON

18 Dec 78

THe Vice President
Hamilton Jordan
Stu Eizenstat
Tim Kraft

THe attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

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| | FOR STAFFING |
| | FOR INFORMATION |
| / | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |
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THE WHITE HOUSE

WASHINGTON

December 14, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON
BRUCE KIRSCHENBAUM

SUBJECT: Westway

The following is a brief review of the factual situation regarding the Westway controversy in New York City. It was unfortunate that Brock wrote those letters to Doug Costle and Charles Warren when a phone call to Doug would have sufficed to make Brock's points. As you know, the letters have both appeared in the New York Times, and the clear implication is that Brock is siding with Hugh Carey against EPA.

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1. The Air Quality Issue

Legally, EPA only plays an advisory role to DoT on whether or not a highway project meets air quality standards. After the final EIS was completed on Westway, EPA commented to then DoT Secretary William Coleman that Westway would violate air quality standards. Secretary Coleman disagreed with EPA's analysis and approved Westway. In early 1977, Brock Adams also reviewed EPA's comments and the final EIS, and, as he is legally authorized to do, approved Westway.

Subsequently, EPA wrote to Charles Warren asking that CEQ request another EIS. After reviewing the matter, CEQ, although recognizing EPA's concerns, concluded that EPA had not made a sufficient case to require another EIS.

Consequently, as to the direct legal authority of the Federal government relating to air quality and Westway, the issue is closed.

Indirectly, EPA has some decision-making authority over Westway in terms of the overall State Implementation Plan (SIP) on air quality which the State must submit in January 1979. As part of that plan, the New York City Transportation Air Quality Plan will have to discuss Westway's impact on meeting the air quality standards by 1987. EPA cannot object directly to Westway but it could conclude that the overall plan does not meet the standards, thereby forcing the State to resubmit.

2. The Water Quality Issue

The Westway project contemplates filling in approximately 230 acres of the Hudson River, thereby removing 10 percent of the River's width.

On this issue, the Federal government does have to make the final determination since the Army Corps of Engineers must decide whether or not to grant a Section 404 permit for dredge and fill. Technically, because EPA then has to approve the specific sites for fill if the Corps grants the permit, EPA could, in effect, overrule any permit granted by the Corps. EPA has never invoked this particular section of the law. Before the Corps makes its determination on the permit, EPA can advise the Corps on what it believes the effect of the dredge and fill will be on water quality. The Corps can accept or reject EPA's advisory opinion.

3. The Political Situation

As you know, this is a highly volatile political issue in New York. Ed Koch and Hugh Carey have both reversed their original opposition to Westway. The financial community led by David Rockefeller is behind the project, as are the unions. The environmentalists and the West Side Manhattan political leaders are opposed (Bella Abzug and her successor, Representative Ted Weiss).

Carey is trying to make it appear that the Federal government is blocking the action, although his own environmental commissioner originally refused the air quality permit and has not yet given a water quality certification.

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THE WHITE HOUSE

WASHINGTON

December 14, 1978

MEMORANDUM FOR THE PRESIDENT

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Put notes from Pres on top of this & HJ's

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THE WHITE HOUSE
WASHINGTON

18 Dec 78

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| The Vice President | Jody Powell |
| Hamilton Jordan | Jerry Rafshoon |
| Stu Eizenstat | Jack Watson |
| Tim Kraft | Anne Wexler |
| Bob Lipshutz | JIm McIntyre |
| Frank Moore | Hugh Carter |

The attached was returned in the President's outbox and is forwarded to you for your information.

Rick Hutcheson

U.S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

Cc Hamm
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December 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall for

SUBJECT: Major Departmental Activities, Dec. 11-15

Continuing work with the key unions on the anti-inflation program. Most of my work and that of your other economic advisors has and will continue to focus on the Oil, Chemical and Atomic Workers and Teamster negotiations. I have spent considerable time explaining the guidelines and searching for ways that their negotiations can accommodate them. It is important to continue these discussions.

Outreach with individual international union presidents. I reported to you earlier that I am making a concerted effort to work with individual unions on both policy and political issues. This week I met with Glenn Watts of the Communications Workers and J.C. Turner, President of the Operating Engineers. Generally these meetings are going very well and these two people expressed strong support for you. However, even Glenn Watts said that if the Administration supported any changes in the minimum wage, including a youth subminimum that it would be impossible for him to continue to support us. A similar position was presented by J.C. Turner but he also spoke about the difficulty of suporting us if the Davis-Bacon Act was changed. Since these two are both moderate and strong supporters, I believe the political risks of pursuing these two issues are enormous particularly since the gains against inflation in these two areas are likely to be negligible.

Labor Department personnel change. Two weeks ago I was notified that a White House review of our sub-cabinet had identified two individuals who were not performing adequately. I do not object to such a review

but I am extremely concerned about the way it was done. First, I believe I should have been given advance notice that a review was underway. Secondly, a White House press leak naming the two individuals came the day after I was informed. Once the information was public, it made it impossible for me to handle the problem gracefully so the reputation of the people could be protected and the adverse political consequences minimized.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

cc Shr

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DEC 15 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

- Generic Drugs: If we can work out the final details, on Tuesday I will join Mike Pertschuk in a press conference to unveil a model state law, developed by FTC and the Food and Drug Administration, designed to reduce drug prices by encouraging the substitution of generic drugs for brand name products. The model law is designed, in the simplest way possible, to encourage competition in the sale of drugs. The Pharmaceutical Manufacturers Association has already filed suit against HEW challenging several related actions we have taken to promote the use of generic drugs.

Good

- Charlotte Wilen: In response to your note of December 11, I agree that Mrs. Wilen would be an excellent member of the Select Panel for the Promotion of Child Health. I intend to include her on the Panel when the slate is finalized in early January.

Good

- SALT Agreement: I recommend that, if at all possible, you arrange to depart for the summit meeting you mentioned at the Cabinet meeting immediately following your State of the Union Address. Such an arrangement would provide an opportunity for you to express a strong commitment to the SALT agreement to the millions of Americans watching the State of the Union Address on television, and your departure immediately thereafter would dramatize that commitment. It would be a spectacularly Presidential move and would also help on the domestic front with your austerity budget.

- National Health Insurance: This came up briefly at our budget meeting today. It is important that we take enough time to look at a comprehensive plan

thoroughly, whatever you do in terms of phasing. No one expects any significant investments before 1983. CHAP and the medicaid reforms I mentioned at the meeting, as well as prevention and other initiatives, would be consistent with any national health plan. But catastrophic coverage in the first phase has the potential of skewing the entire system towards the most expensive end, even more radically than medicare has already done. These issues deserve careful consideration -- and we should take the time -- not only because of their programmatic importance, but also because of what they mean in terms of resource commitment to social and political issues over the next ten years. I hope to have a thoughtful paper to you and others interested in the problem, within the next ten days.

- Budget Process: So far I think the budget process has been a fair one. But there is a potentially explosive problem at HEW which is aggravated by members of your staff. Members of some of our Departmental components have told us that members of your staff have called over to ask where they would like additional funding, above and beyond the requests Hale Champion and I have asked for and above and beyond that approved by OMB. In a tight year this makes budget discipline very difficult, if not impossible, in a Department like this.

Joseph A. Califano, Jr.

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

December 15, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

BEEF. Last week, for the first time in my memory, canners and cutters (hamburger stock) were selling for $1 a hundredweight higher than prime grade beef. It is because, although three-fourths of the beef we produce is prime or choice grade, half of the beef we now consume is hamburger grade. I have been driving this point -- as well as the fact that U.S. consumers are turning to pork and poultry to make up shortfalls in beef production -- home to cattle producers. They seem to be rebuilding their herds and doing so with the understanding that the threat is from other meats and the wrong kind of production -- not from imports. (Dressed wholesale market.)

MILK. USDA expects a slight increase in milk production for 1979. Use of milk products and milk is expected to increase slightly also. This should keep consumer cost increases within the six to nine percent range, in line with other food costs.

BOB BERGLAND

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

December 15, 1978

MEMORANDUM FOR THE PRESIDENT

Highlights of Treasury Activities

The Dollar

The dollar came under selling pressure, especially heavy early in the week, triggered by uncertainties over the Iranian situation, the forthcoming OPEC price decision, and the European monetary system. Despite very substantial intervention by the U.S. and foreign authorities on some days, the dollar depreciated slightly. At mid-day Thursday, the dollar was up by 10-14 percent over October 31 rates for the major currencies, but down 2 to 4 percent from highs against major currencies on December 1.

Treasury Deutsche Mark Borrowing

The Treasury's sale of 3 and 4 year Deutsche Mark notes this week was very well received. Subscriptions nearly trippled the DM 3 billion (about $1.5 billion) offered for sale, although the notes were priced at 5.95-6.2 percent, below rates currently available to the German Government. We are firming up plans for a Swiss franc issue around the middle of January.

EPG

We will have a final memorandum on real wage insurance to you early next week. Jim McIntyre and I remain very concerned about the possible budget exposure and the inevitable complexity of the program. In light of the program problems, your advisors agree that we should not present the program as the centerpiece of the wage-price effort and that you should not personally become overly involved with the program.

The EPG has tentatively decided against proposing a youth differential for the minimum wage on grounds that labor's adverse reaction might further complicate their

cooperation with the wage-price standards. For the present, however, our public posture should remain that we are studying the issue.

Cleveland:

Treasury is watching the city's fiscal crisis very closely, while making clear that a New York-style bail out by the federal government would be unwarranted. Unlike New York, Cleveland has fully adequate private and state government resources, and also untapped tax potential, on which to draw. In that sense Cleveland's crisis is basically political, not economic. Also, the New York problem struck at the financial capital of the nation in a time of deep recession; there are no similar national implications to Cleveland's crisis.

Mike

W. Michael Blumenthal

# Office of the Attorney General
## Washington, D. C. 20530

December 15, 1978

Principal Activities of the Department of Justice
for the Week of December 9 through December 15, 1978

1. Meetings and Events

The Attorney General met Monday with a group from the NAACP to discuss judgeships and undocumented aliens. On Wednesday, the Attorney General participated, along with Deputy Attorney General Ben Civiletti and other Department officials, in Joe Califano's fraud conference and the press briefing on the Stanford Daily proposals. The Attorney General met on Thursday with Deputy Secretary of State Christopher and others concerning visa policy on alleged intelligence personnel. The Attorney General spoke Thursday night in St. Louis at Senator Eagleton's request before the five area bar associations at a dinner in honor of newly appointed Eighth Circuit Judge Theodore McMcillian. The Attorney General is to represent the President Sunday at the 75th Anniversary of the Wright Brothers flight in Kitty Hawk, North Carolina. Associate Attorney General Mike Egan returned Tuesday from Geneva, Switzerland from the United Nations International conference on refugees.

2. Federal Prison Population

The number of inmates confined in federal correctional institutions declined from 29,861 to 26,674 during the past twelve months. This reduction of nearly 3,200 offenders is principally the result of two factors:

- A reduction of 2,114 in the number of new admissions to federal institutions during the year. This decline is the result of concerted efforts by the FBI and Drug Enforcement Administration to emphasize quality vs. quantity in the cases presented for prosecution.

- An increase of 2,178 in the number of inmates placed in halfway houses as an alternative to incarceration in traditional institutions. There was also an increase in the number of inmates released from custody by parole, mandatory release and expiration of sentence.

As a result of the reduction, the problem of overcrowding in federal prisons has abated. Existing institutions are currently 3,700 over physical capacity as compared to nearly 7,000 a year ago.

3. General Counsel's Meeting

The Attorney General met over lunch on Thursday with General Counsels from eleven major executive departments to discuss litigating authority and other matters of mutual interest. The Attorney General pledged to continue to work with General Counsels to determine the best utilization of the Government's legal resources in representing its interests in court.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20506

December 15, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

The trade talks grind along. We are down to the hard, tough, mean issues that do not lend themselves to compromise. They are not the kind of issues, however, that would prevent a final agreement and we will achieve it before year's end if the French permit. Your visit and my visit with Jenkins this week will be useful. Our work with the Hill, particularly the staffs, is coming along constructively and I'm putting together an outside lobbying group of the 15 or 20 best people in town -- Republicans as well as Democrats. We are coordinating closely with Moore and Wexler. If we ever reach an agreement, I don't intend to lose it in the Congress.

I am spending a great deal of time with the textile industry, both management and labor on both substantive issues and their political ramifications. It is an insatiable appetite that cannot be satisfied but we continue to work with them looking for some positive solutions instead of negative approaches.

I was in Atlanta for D.W. Brooks yesterday. He had over 2,000 people from six states and could not have been more supportive. I am dictating this from Dallas where I introduced Lloyd Bentsen before a Dallas business group and he was completely supportive of your domestic and foreign policies in his remarks. As a matter of fact, he went out of his way, I thought, to be helpful, particularly in this town. It would be well if you had a moment, to drop him a note.

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

December 15, 1978 FYI

REPORT TO THE PRESIDENT

Your remarks to the Business Council on Wednesday evening were well received by all the businessmen to whom I spoke. You will be pleased to know that many of them indicated to me that they now are convinced of the Administration's seriousness in fighting inflation and of your pledge to see that government does its part. In addition, they praised Barry Bosworth and Fred Kahn highly for their willingness to discuss problems with the anti-inflation program and to make reasonable adjustments. As the meeting ended, Anne Wexler, Fred Kahn and I met with the association leaders who had sent letters to their member organizations requesting compliance with the program. We had a frank discussion about the need for the Administration to show signs of concrete progress on the regulatory front. This group has volunteered to meet regularly to follow up on the anti-inflation program. I believe that this will be a significant contribution both in gaining compliance for the standards and in generating substantive suggestions on future government anti-inflation actions.

Economic data for October and November show considerable strength. The retail sales picture brightened this week with reported gains of 2 percent in November and 1.3 percent in October, which had shown a decline in preliminary reports. The inventory-sales ratio dipped to a new low in October. Industrial production continued its growth in November at the average monthly rate for this year, up from the two previous months. These data, together with large gains in employment, suggest that fourth quarter GNP growth will not fall below the 3.7 percent average so far this year. The Department's new survey of business plant and equipment outlays shows healthy growth for this quarter but a disappointing flattening in planned investments in the first half of 1979.

The Department's proposal to create a Minority Enterprise Development Administration has received an encouraging first hearing at the White House. Stuart Eizenstat in particular thinks the program has considerable merit and exciting possibilities. We will be working with Jim McIntyre in the next several days on the budgetary aspects of the proposal.

Juanita

Juanita M. Kreps

THE SECRETARY OF THE INTERIOR

WASHINGTON

December 15, 1978

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of December 11

The Water Policy Task Force is moving positively, but some water interests are attempting to slow it down. Colorado continues to lead the opposition, but the other states are starting to yield. Public exposure and pressure is taking its toil on the abusers. Gary Hart will be cautiously helpful in the Congress.

The "Street Peoples" use of the Visitor Center is behind us and the Administration received high marks from the press for handling the situation with compassion and understanding. It could have ended in confrontation.

The Jackson Hole property acquisition that you asked about has been resolved, for the time being at least, by my personal visit to the objectors.

At Memphis the task force on Natural Resources and Environment gave the Administration high marks and applauded your Alaskan decision.

Your comment at Cabinet that we lost the PR battle on Alaska disturbed me. The impact would have been greater if you had made the announcement instead of me, but we still did very well. Walter Cronkite led that night with the statement, "that his action makes President Carter the greatest conservationist President since Teddy Roosevelt."

I don't expect you to read all the attached information, but if you run your eyes over it you will see that we won the PR battle.

Cecil

CECIL D. ANDRUS

Newspapers which published favorable editorials about Alaska Proclamations:

Dayton Daily News

Detroit Free Press

Los Angeles Times

Visalia (Calif.) Times-Delta

Fredericksburg (Va.) Free Lance-Star

Philadelphia Bulletin

Philadelphia Inquirer

Pittsburgh Press

Baltimore Sun

Baltimore News-American

Boston Globe

Chicago Tribune

Milwaukee Journal

Minneapolis Tribune

Newsday

Evansville (Ind.) Courier

Jasper (Ind.) Herald

Cleveland Plain-Dealer

Akron (Ohio) Beacon-Journal

Austin American-Statesman (Tex.)

Houston Post

San Antonio Express

St. Paul Dispatch

St. Paul Pioneer Press

Nashville Tennesseean

Jacksonville Times-Union (Fla.)

Providence Journal

Sacramento Bee

Arizona Star (Tucson)

ALASKA LAND COMMENTARIES--

Nashville Tennessean, 12/8 "President Carter is to be commended for his far-sighted action in placing more than 56 million acres of Alaska's federal lands in the National Park System."

St. Paul Pioneer Press, 12/5--"In a move that missed the headlines and TV coverage it deserved, President Carter more than doubled the size of this nation's national parks system. It was by all odds the greatest single act of conservation in the country's history."

Bergen Co., N.J., Record, 12/6--"For nearly half the land involved, of course, the rescue is only temporary, and the fight must begin again with the new Congress. We applaud the administration's actions as farsighted and forthright."

CHICAGO TRIBUNE, 12/6--"The administration can be congratulated for preserving the continuity of national interests in Alaska--a continuity that would have been interrupted had both the executive and legislative branches of the federal government failed to act this year."

NEWSDAY, 12/5--"Present and future Americans owe President Carter and his Interior Secretary many thanks for acting to keep a portion of Alaska's vast wilderness from being further exploited."

MILWAUKEE JOURNAL, 12/2--"This is the last chance to safeguard such a vast and magnificent territory for future generations. In the face of fierce pressure, the administration has courageously preserved the opportunity to preserve."

ALASKA LAND--"Future generations may remember that it was William Seward who bought Alaska, but Jimmy Carter who saved it. The President's executive action to set aside 56 million acres there in 17 national monuments has doubled the national parks system at a stroke, and lifted him high as a hero of the American Conservation movement." Detroit Free Press, 12/3

ALASKA LAND--"President Jimmy Carter established his environmental conservation credentials as unequivocal and unyielding when he extended federal protection to 56 million acres of Alaska wilderness late last week." Philadelphia Inquirer 12/5

PHILADELPHIA BULLETIN 11/19--"Compromises over how much acreage to preserve and under what designation--wilderness, forests, wildlife refuges, or wild and scenic rivers--should be worked out in Congress. Secretary Andrus's move appears to have given Congress more time to do its job. The realistic preservation of Alaskan land is of great interest to all of us and should be decided in the national interest."

ST. PAUL DISPATCH, 11/21--"The mills of the Congress grind exceedingly slow, and in the meantime the nation's last frontier needs protection from the 'boomers' and exploiters and the this-land-is-our-land -- and only ours -- Alaskans. President Carter would perform a service of incalculable and permanent benefit to his country and his countrymen for generations by using the powers given him under the Antiquities Act."

L.A. TIMES, 11/22--"The decision by...Andrus to close 100 million acres of federal land in Alaska to commercial development for the next three years was both drastic and necessary. It was drastic because it resolves by administration fiat an issue that should be dealt with by Congress. It was necessary because Alaskan politicians and developers have been successful in thwarting congressional action for the past two years."

THE ALASKA LANDS CONTROVERSY--"The Alaska Lands proposal has been called the greatest single U.S. conservation project in the century...As a controversy it not only involves immense physical areas but is regarded as a major national test of conservation policy directions for the future....Is the HR 39 Approach to the Conservation of Alaska's Lands Sound?...." A Pro and Con Discussion, Congressional Digest Dec. 1978 (25 pages)

ALASKA LANDS COMMENTARIES

DAYTON DAILY NEWS, 12/5--"...Carter acted boldly and appropriately when he used his executive authority to protect....Alaskan wilderness.....If Congress now tidies the matter up legislatively, along the lines the House approved last year, fine. But if not, the important tracts have been saved despite the breakdown of the legislative process. Either way, the credit is...Carter's, for acting forcefully for the long-term interest of the whole American people."

PROVIDENCE JOURNAL-BULLETIN, 12/5--"...Carter's action in placing 55 million acres of federal lands in Alaska in the National Park System has made it impossible for the continuing search for oil and gas and sacred minerals to enter these vast tracts. They will be preserved against all exploitation indefinitely, unless Congress specifically " authorizes a specific kind of development in a specific area...But if Congress is to enact further legislation it ought to make sure that it has not put the country in a strait-jacket from which it cannot be extricated if and when the search for resources becomes more intense than it is today."

ANCHORAGE TIMES, 12/2--"Of all the incredible developments that have come along in the battle over Alaska lands, nothing surpasses in unbelievable wonderment the recommendation by an Interior...planning team that an armed force of 181 men, funded by $9.2 million in tax dollars, be formed to patrol and protect wilderness in the 49th state from marauding Alaskans."

NEW YORK TIMES

Alaska lands

NYT 12-8-78

# Rescuing Alaska's Lands

By John B. Oakes

President Carter made history last week when, in the most far-reaching environmental initiative ever undertaken by executive order of an American President, he seized an opportunity handed him by Congressional default to protect nearly 100 million acres of the finest remaining natural, scenic and wildlife areas in the United States.

Congress failed in the last hours of its last session to adopt any protective legislation for Alaska at all — due largely to the obstructive tactics of one man, Alaska's Senator Gravel — or even to extend the temporary protection which it had previously granted to these Federal lands.

Mr. Carter thereupon resorted to a 72-year-old law that had been used many times before by Presidents (including both Roosevelts) for the same purpose, but never on so magnificent a scale. He created by Presidential proclamation 17 "national monuments" totaling 56 million of Alaska's most spectacular and most fragile acres, which thus became part of the National Park System — more than doubling it in size.

At the same time, Mr. Carter directed Secretary of the Interior Cecil D. Andrus to set up (subject only to Congressional veto) national wildlife refuges on another 39 million of Alaska's threatened acres, also more than doubling the size of that element in the nation's conservation system.

The total of about 95 million acres thus protected by Presidential action comes reasonably close, both in quantity and quality, to the minimum of approximately 100 million acres of selected mountain, river and forest land that most conservationist experts on Alaska had hoped Congress would protect by law at the session just ended. It excluded, incidentally, the overwhelming majority of the state's potential oil, gas and mineral-bearing areas.

But the fight to preserve the most ecologically fragile parts of the Alaska wilderness from various forms of intrusion, ranging from mining and lumbering to "sport hunting" and real-estate speculation, is not over.

The attack on the Carter-Andrus program is already under way in the courts, and it will be pursued with vigor by Alaska's hungry politicians and multifarious special interests next year when Congress is called on to ratify or modify the President's actions. Serious attempts will be made to reduce the boundaries of the newly established conservation areas and also to pare down the degree of protection afforded to wilderness values as well as to the "subsistence rights" of native Eskimos, Aleuts and Indians.

But the entire psychology of the coming Congressional battle has been altered by Mr. Carter's action. Since the major potential park areas have now been established by proclamation, it will obviously be more difficult to destroy them than it was to block them before they were created, as was done in the Senate a few weeks ago. The advantage now lies with the defenders of what has been done rather than with those who have up to now succeeded in preventing anything from being done.

However, the leading Alaska conservationists in Congress — such as Udall of Arizona and Seiberling of Ohio in the House, and Durkin of New Hampshire in the Senate — have a lot more to do than merely fend off attacks on the Carter-Andrus proposal. Legislation is needed to give special wilderness status (which the President alone does not have power to grant) to many millions of acres within the areas he has designated for inclusion in the national conservation system, as well as to major tracts in the Alaska Peninsula and in southeast Alaska that ought to have been included but unfortunately were left out.

Meanwhile, nobody need be deceived into thinking that the people of Alaska — numbering less than half a million or about the population of Buffalo in an area more than twice the size of Texas — are being deprived of valuable resources that rightfully belong to them. They aren't.

At the time of statehood, they were allotted 100 million acres of Federally-owned land — more than one-fourth of Alaska's surface — in the most generous grant to any new state in American history. Although Alaska has already obtained some of the most valuable of these acres (Prudhoe Bay among them) it also wants for development (or giveaway, as mandated in a recent referendum) some of the most crucially important areas now reserved for conservation purposes. These it must not get.

It is not the Alaskans who are being deprived of what is rightfully theirs. Nor are the oilmen or the miners or the loggers, who already have or will have two-thirds of the state at their disposal.

Those who will be truly deprived — if Congress fails to support and strengthen the President's hand — are the people of all the United States (including Alaska) who own these lands. It is for their benefit that this irreplaceable treasure house of natural beauty and unique ecological value must be protected now and for the future.

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*John B. Oakes is former Senior Editor of The New York Times*

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The Virginian-Pilot

Page A18 Wednesday, November 8, 1978

alaska

# A Bully Idea

Just as Teddy Roosevelt preserved with the stroke of his pen the national forests of the West before they could be leveled by the timber barons, President Carter plans to use presidential authority to declare Alaska's most scenic and best wildlife habitat areas off limits to commercial interests.

This will not be universally popular in Alaska, where a "boomer" philosophy has been evident since the big oil strike of the 1960s. But it will be welcomed by conservationists who have convinced the administration that preserving Alaska's wilderness would be the greatest conservation achievement of this century.

Congress came within a whisker of doing the job itself. The House last May passed a bill setting aside about 100 million acres in national parks, wildlife refuges, and wilderness areas. The vote was 277-31, with all but two Virginia congressmen supporting it, including Tidewater's G. William Whitehurst, Robert W. Daniel Jr., and Paul S. Trible Jr.

A less expansive version by the Senate came close to being approved last month but was held hostage by the threat of a filibuster from Senator Mike Gravel, D-Alaska, unless proponents agreed to drastic changes for building pipelines, highways, or railroads through the scenic areas the bill sought to preserve.

Since Congress was hell-bent to hit the election campaign trail there was no saving the Alaska bill. That failure was unfortunate because after December 18 all these lands will be open for development—unless Mr. Carter acts.

Alaska is America's last frontier. Sparsely populated, rich in oil and natural gas and hard rock minerals, its commercial development has only begun. The Trans-Alaskan oil pipeline from above the Arctic Circle to an ice-free port was the first major industry beyond sawmills and salmon canneries which previously were Alaska's chief enterprises.

Before Secretary of the Interior Cecil Andrus drafted the administration's preservation plan he traveled throughout Alaska, consulting residents and industrialists. He deliberately didn't set aside lands thought to contain 70 percent of the hard rock copper, manganese, and other minerals, and 90 percent of the oil and gas. Mr. Andrus wants only to protect the roving caribou herds, the grizzlies, the nesting grounds for geese and other migratory birds, and the Yosemites of the Far North without stifling Alaska's economic growth.

But the boomers, represented by Mr. Gravel, want it all, or at least access to it all, and the senator adroitly maneuvered the lands bill into the adjournment waste can.

A cabinet officer less dedicated to achieving a balance between environmental and commercial values than Mr. Andrus might have washed his hands of it and blamed Congress. Instead, he convinced the president to exert every legal effort in this cause. Mr. Carter agreed.

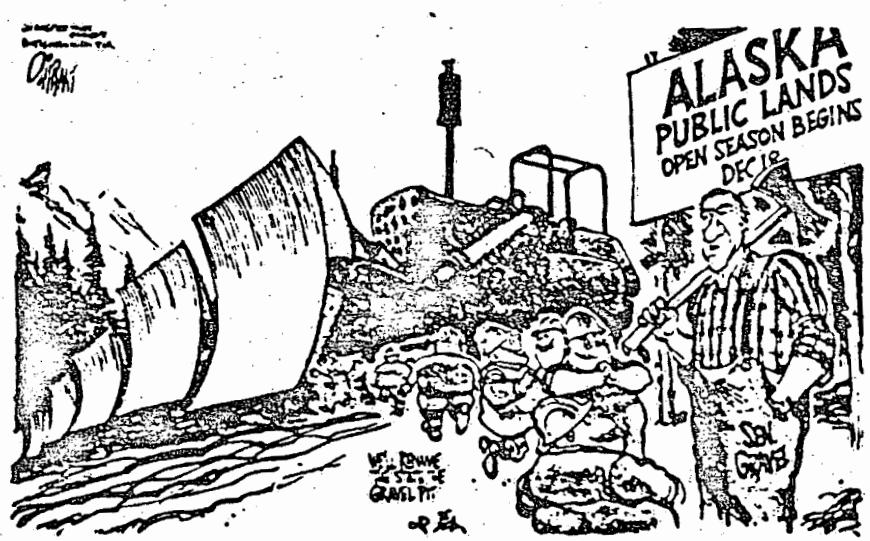
So the stage is set for the president to use the 1906 Antiquities Act and other presidential authority to post No Trespassing signs on about one-fourth of the state until Congress provides permanent sanctuaries.

The goal of this extreme, but justifiable, action by the president is not to lock up the resources of the 49th state but to set precise limits on areas into which bulldozers and well drillers can and cannot go.

The long-range objective should be to transform Alaska into the American Scandinavia, where industry is free to develop resources so abundant on three-quarters of the land without plundering the most magnificent vistas and wildlife preserves left on the North American continent.

Teddy set the precedent around the turn of the century when he put aside 175 million acres of Western timberland. Jimmy should follow it in Alaska.

## 'Gentlemen, Start Your Engines . . .'



GREAT FALLS TRIBUNE
Great Falls, Montana
Date: 11/19

# Saving Alaska lands

Great Falls Trib 11-19-78

Alas Land

Congress labored mightily but failed to pass Alaska lands legislation this year. Yet, the Alaska lands protection issue is not dead. In fact, the issue is at its most crucial point this year. The fate of 100 million acres of wild, valuable land is uncertain.

But the outlook for the acreage improved drastically Thursday. Interior Secretary Cecil Andrus used emergency powers under the 1976 Federal Land Policy and Management Act and placed 110 million acres of federal land off limits to mining and logging. The acreage accounts for all the Alaska land that was at issue in Congress this year.

Last May, the House passed an Alaska lands bill by an overwhelming margin. The Senate struggled all summer and fall on the matter; and at the last moment reached a compromise that was acceptable to one Alaska senator, Republican Ted Stevens, but not to the other, Democrat Mike Gravel. (See the Congressional Quarterly article on today's page.) The Senate lands bill died on the last day of the session.

What Congress was up against was a Dec. 18 deadline set by the 1971 Alaska Native Claims Settlement Act. Before that date, Congress was to decide which public lands it would set aside in some sort of conservation unit.

The deadline still stands. But Congress is no longer in session. Clearly, the move to protect Alaskan lands must be made by the president.

It sounds so simple, and so logical.

But Alaska wants no part of this solution. Last month it filed suit to keep President Carter and Andrus from pursuing any of a number of options to protect Alaska federal lands. And early last week, the state filed to select its remaining acreage of public lands.

The endless maneuverings in Washington, D.C., between the Carter administration and Alaska are complicated. To make matters worse, the court has not yet ruled on Alaska's suit. And while the Andrus move to place the disputed lands off limits to development is most welcome, protection is not guaranteed.

The law Andrus acted under has never faced a court test. Another option open to the Carter administration has stood up before the Supreme Court: use of the Antiquities Act of 1906. The act gives the president power to proclaim any federal lands to be national monuments.

Carter should invoke the Antiquities Act. That way, the Alaska lands would be fully protected and the entire matter would be waiting for Congress to tackle again next year.

The solution would be for the best of Alaskans as well as the rest of the country.

(B)

File: Alaska
Dec. 6, 1978

Los Angeles, Calif.
(Los Angeles Co.)
Los Angeles Times
(clr. D 1,034,329)
(clr. Sun. 1,332,875)

DEC 6 1978

Allen's P. C. B. Est. 1888

# Every American's Heritage

President Carter has put a double lock on 56 million acres of primitive federal lands in Alaska to compel that state's politicians and developers to accept a reasonable plan for the management of one of the world's most magnificent scenic resources.

Carter's designation of the vast area as national monuments, off-limits to mineral exploration and logging, is without precedent. It is far greater in scope than the cumulative actions taken 75 years ago by President Theodore Roosevelt in creating the national park system.

Together with an additional 54 million acres, withdrawn from development by Interior Secretary Cecil D. Andrus three weeks ago, the protection of federal lands in Alaska now covers 170,000 square miles, an area larger than California.

The President's executive order more than doubles the size of the national park system and adds more than 10 million acres to the national wildlife refuge system.

Carter was facing a deadline. Under the Alaska Native Claims Settlement Act of 1971, Congress had until Dec. 16 to assign permanent use designations to the massive tracts. But Democratic Sen. Mike Gravel was responsible for killing the necessary legislation earlier this year. In the absence of a law, many of the tracts would have become open for state claims or for mineral and oil exploration if Carter had done nothing. Andrus' earlier withdrawal of the full 110 million acres by administrative action would have been binding for only three years and would have become immediately vulnerable to challenge in the courts. But the President's action accords permanent protection to 56 million acres and only Congress can act to reduce or enlarge the preserves.

Predictably, Gravel said Carter's decision would cause grave economic dislocations within Alaska by foreclosing development of its natural resources. But that argument ignores the Administration's findings that 90% of high potential oil and gas areas and 70% of the most promising hardrock mining areas would remain open for exploration.

The 56 million acres now under permanent protection as national monuments were chosen because of their unique scenic importance, and include wild rivers, lakes, rain forests, glaciers, tundra and the largest number of mountain peaks over 15,000 feet in North America.

The lands are also the habitat of many species of wildlife—caribou, wolves, waterfowl, mountain sheep, walruses and polar bears.

The areas in dispute were federal preserves long before Alaskan statehood and belong to all the people of this country. But Gravel and developmental interests continue to insist that the state should have an excessive control over their future.

Carter is amenable to compromise. He said he signed the executive order "in the hope that the 96th Congress will act promptly to pass Alaska lands legislation." It is probable, however—and also desirable—that Administration agreement to appropriate development would affect only the 54 million acres under Andrus' temporary protection, although Congress has the authority—barring a presidential veto—to open up sections of the new national monuments as well.

Gravel is fighting a losing battle. If he returns to his obstructionist tactics at the next session, he will be threatening the very economic interests he claims to be defending.

The Administration is agreeable to reasonable resource development in tracts where it will not cause unacceptable ecological damage. But until there is legislation identifying those areas, no mining or lumbering can take place.

If Gravel thwarts congressional action again next year he—not the Administration—must accept the blame for the serious impact it will have on Alaska's economy.

Seattle
Post-Intel igencer
THE VOICE OF THE NORTHWEST... SINCE 1863

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A14 Mon., Dec. 11, 1978 S ★

# Carter and Andrus Act on Alaska

At the first of the month, President Carter classified 56 million acres of Alaskan wilderness as part of the national monument system, thereby banning mining and other development.

All of the lands are within 110 million acres of federal land that a month earlier Secretary of Interior Cecil Andrus had frozen for development.

Both actions stemmed from Congress' inability at the last moments of the last session to pass a law putting about 100 million acres of Alaska into the National Park and Wilderness system.

Such a bill passed the House 277-31 but was stymied in the dying days of the Senate, despite compromise trimming and wording put forth by Sen. Henry M. of this state. The reason for the bill's death was simple. Sen. Mike Gravel of Alaska threatened a filibuster and those familiar with his past efforts along this line knew he is wonderfully capable of speaking forever about nothing.

At the time, Alaskan politicians who thought the Senate bill would be the best they could get were infuriated by Gravel's stubbornness. But now the official voices in Alaska are venting their ire at the president and Andrus, who both said they acted to protect unique Alaskan wilderness because they feared development would begin before Congress got back to considering an Alaskan lands bill anew.

Much of the reaction in Alaska is reflexive and stems from many sources. People who have lived in Alaska for long, and the very tiny group who were born and reared there, are used to what seem dictatorial orders from Washington, D.C.

A major land set-off from the Carter administration strikes Alaskans, even the large percentage who have been there for only a short time, on a most sensitive nerve.

One outcry turns around the notion that "Alaska is for Alaskans," as if their immense state (bigger than the 12 other Western states put together) is some kind of private preserve for the half million people who live there. This response, while emotionally satisfying and understandable, avoids the question of what rights all the rest of the citizens of the United States have in the unique, immense and magnificent parts of Alaska in question.

There also has been reflexive response from commercial and industrial interests, both in and out of Alaska. This argument goes that the land set-offs forever deny the nation the vast oil and mineral wealth (yet undiscovered mainly) that may be in the set-off areas.

This argument demands consideration. It should be noted that the Senate bill that Sen. Gravel threatened out of existence allowed for certain demonstrated that commercially valuable resources existed. It also has to be noted that exploitation of Alaska's renewable and nonrenewable resources has provided the state's main value in the eyes of many outsiders—fish, fur, gold, silver, copper, oil. Seattle has large and deep commercial ties to the 49th state.

The portions of Alaska that Carter and Andrus set off do not entirely lend themselves to the argument that immense resources are being denied to exploitation.

To begin with, many of the areas are, like Mount Rainier, valuable mainly for their esthetic and scientific character. No one has suggested that enlarging Mount MKinley National Park will stifle much commerce, not setting off the Aniakchak volcanic crater nor enlarging the volcanic Valley of the Ten Thousand Smokes.

In the main, the set-off areas have not been developed because even befor federal restrictions no one could find much in them to make money from.

However, some magnificent hunks of wilderness do have resource potentials. The new Gates to the Arctic National Monument leads into the arctic oil fields. The Yukon Flats National Monument contains historical gold mining areas and hydroelectric dam potentials, however uneconomic these might be now. Other river area set-offs make the eyes of oil prospectors glow.

But taken as whole, the lands that Carter and Andrus have put aside until Congress acts amount to rare and fragile and unique wilderness areas that to date have hardly produced a nickel for anybody. Their value for this and future generations cannot be measured, no more than the value of Mount Rainier or the Grand Canyon can be measured.

Congress can overturn everything that the Carter administration has done, and no doubt there will be new Alaskan land bills, just as there will be plenty of room to compromise between legitimate Alaskan and commercial desires and the desires of the nation as a whole.

It also should be remembered that vast areas of Alaska, some with even better resource prospects, remain to be developed and exploited. Indeed, since the land set-offs will force a geographical focusing of capital for resource development in the state, it may turn out that what Carter and Andrus have done is stimulate the Alaskan economy in certain areas.

It hardly needs to be said that if the set-offs continue they will be a great boon to Alaska's already bustling tourist industry.

Carter and Andrus basically have done right. They have given the nation and Alaska time to think out what should be done with some of the finest wilderness terrain in the world.

2

11/17 -

Alas Lands

ROCKY MOUNTAIN NEWS, DENVER

# Preserving Alaskan lands

11-17-78

Rocky Mt News

ONE LESSON TO be learned from the 95th Congress is that traditional legislative niceties must be abandoned before the all-important Alaska lands bill can be passed.

During the last session, congressional leaders allowed one Alaska senator, Ted Stevens, to delay consideration of the measure until close to adjournment so Alaska's other senator, Mike Gravel, could kill the bill by threatening a filibuster.

The stakes are too high — the protection of millions of acres of unspoiled Alaskan territory — to allow two men to thwart the majority wishes of Congress. The House passed the Alaska bill by the overwhelming vote of 277 to 31 and there was substantial Senate support for the measure as well.

IN AN EFFORT to get a bill passed, supporters of the measure bent over backwards to forge a workable compromise. Indeed, they probably agreed to too many weakening changes in the House-passed bill designating 102 million acres of federal land in Alaska as national parks, wilderness, wildlife refuges, national forest and scenic rivers.

When Congress reconvenes in January, its mission is clear. It should move quickly to re-enact the House-passed bill and stand firm against efforts by the Alaska congressional delegation to weaken it.

Meanwhile, President Carter must take forceful administrative action to protect the lands in question until Congress can act. Without such action much of the land could be open for development on Dec. 18 — the deadline for a final decision on the lands question set by the 1971 Alaska Native Claims Settlement Act.

Carter has at his disposal the 1906 Antiquities Act which would permit him to perserve much of the land under a "national monuments" designation. This would prevent mining and oil drilling, but grazing and hunting could continue on those lands where it is now allowed.

IDEALLY, IT would be best that the president didn't have to resort to such a liberal interpretation of the Antiquities Act — a move that will undoubtably invite a court challenge. But such action is necessary in order to buy time for Congress to act on the matter.

And if the 96th Congress repeats the failure of the 95th Congress, then the energy companies will have deservedly — and regrettably — won the right to exploit America's last great expanse of unspoiled terrritory.

Footnote: In fairness to Sen. Stevens, Sen. Gravel was the major villain in the behind-the-scenes scuttling of this year's Alaska lands bill. Stevens did his best to delay the bill, but in the waning moments of the session worked hard for an acceptable compromise. Gravel, however, torpedoed that effort — an action for which he has received deserved criticism in his home state.

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ACTION ON ALASKA

*Editorial by The Boston Globe in*
*THE CHRISTIAN SCIENCE MONITOR, October 31.*

President Carter will soon have the opportunity -- one might say the obligation -- to act on his oft-repeated declaration that protection of the Alaska wilderness is his top environmental priority. If he fails to act, the opportunity to protect millions of acres of Alaska's unique geography could be lost forever.

The best opportunity to protect it was, of course, the Alaska Lands Act. Despite overwhelming approval in the House this year, the bill was torpedoed in the Senate when Alaskan Republican Ted Stevens stalled the bill's progress and Democrat Mike Gravel, also of Alaska, managed to bury it by threatening a filibuster.

The result is that, without executive action, about 100 million acres of land in Alaska will be open for possible development on December 18. That was the deadline for final action on the future of Alaskan lands set by Congress nearly seven years ago.

Environmental groups behind the Alaska Lands Act are pressing the President to invoke the 1906 Antiquities Act to declare about 140 million acres of land a national monument and continue their protection...

There is some fear that the Administration will seek less comprehensive protections or that the Agriculture Department will fail to do the necessary work to ensure that forest land is included if the President does utilize his powers under the act.

UNITED STATES REGULATORY COUNCIL
401 M Street, S.W.
Washington, D.C. 20460

December 15, 1978

CHAIRMAN
Douglas M. Costle

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

Our efforts to improve regulatory coordination are achieving some worthwhile results. Eula Bingham, Don Kennedy, Susan King and I were all in Dallas this week to publicly demonstrate the Administration's focus on improving regulatory coordination. As you know, our four agencies have been formally working together for the past year. A few of the accomplishments we announced included:

--the publication of joint plans on how the agencies will coordinate the regulation of 24 hazardous substances ranging from "acrylonitrile"--used to make plastic and synthetic rubber--to toxic waste disposal;

--undertaking cooperative inspections where an investigator from one agency refers possible violations of other laws to the responsible agency. These efforts increase the effectiveness of each of the agencies with no increase in costs;

--agency field offices acting together in response to such emergencies as a chemical plant explosion in Chicago, a contaminated truckload of consumer products in Philadelphia, and the dumping of toxic materials along the roadside in North Carolina;

--developing joint testing guidelines which allow industries to conduct only one analysis of their materials to satisfy several agencies; and

--establishing a joint EPA-FDA laboratory to study damage done to people's nervous systems and behavior by toxic compounds.

We believe we have made some real gains under our agreement in improving our regulatory processes. We have also learned that some things are not as easy as we thought. Our experience, however, has been very important in designing an effective program for the Regulatory Council.

Community Services Administration
WASHINGTON, D.C. 20506

December 15, 1978

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson
Staff Secretary

FROM: Graciela (Grace) Olivarez
Director

SUBJECT: Weekly Report of Significant Agency Activities
(Week of December 11-15, 1978)

## Energy Crisis Intervention Program

The Community Services Administration is ready to publish the final rule for the allocation of its $200 million Energy Crisis Intervention Program. The rule is to be published at the beginning of next week and is to be effective Thursday, December 21, 1978. Rather than having the money for this program available only in the spring and summer, as was done last year, the money this year will be available throughout the winter. By making the money available earlier, it is hoped that more poor people can be served during the actual time of an energy-related crisis.

VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

December 14, 1978

TO : The President

THRU : Rick Hutcheson, Staff Secretary

FROM : Administrator of Veterans Affairs

VA Presidential Update

Not Forgotten - Two messages from you will help brighten the holidays for the thousands of patients confined in VA hospitals. Your letter of greetings will be personally delivered by volunteers and staff on Christmas Eve and Christmas Day to each patient. A recorded VA Christmas program for our patients, which features stars of the Grand Ole Opry - and a warm personal greeting from you - will be broadcast several times over hospital bedside radio networks, and played at the many Christmas parties held in our 172 hospitals. The recorded program will also be broadcast by 260 radio stations located near VA hospitals, and by some 150 other stations that have requested use of the program.

VEV Leadership - VA employs about 37,000 Vietnam era veterans. We have hired more than 21,000 Vietnam era veterans since I became Administrator. Of these younger veterans, 48 already occupy high level positions as Directors or Assistant Directors of VA field stations.

Malpractice Claims - A total of 512 medical malpractice claims were filed against VA in FY 1978 - a decrease of 5% from FY 1977. With a general tempo of constantly increasing claims since 1967, our General Counsel in 1977 initiated a concerted educational program for our health personnel, increasing awareness of problems that could lead to claims. A series of video tapes on the subject will also be released soon to all our medical facilities. The program will, we hope, lead to more decreases in the future, or at least a leveling off.

Collection Recoveries - In FY 1978, VA was successful in collecting $8.2 million for VA medical care rendered from third party tort feasors, medical insurance policies and workers' compensation. This is an increase of $1.1 million over FY 1977. We will continue our vigorous efforts to make these recoveries.

United States of America
General Services Administration
Washington, D.C. 20405

Administrator

December 15, 1978

MEMORANDUM FOR THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Former Quonset Naval Air Station, North Kingstown, Rhode Island

On November 30, 1978, the Electric Boat Division of General Dynamics Corporation broke ground for an $80 million automated marine hull manufacturing plant on 17.2 acres of the 111 acres sold by GSA to the Rhode Island Port Authority and Economic Development Corporation. The facility will add 220 workers to the 3600 already employed at the Quonset Point plant improving the State's employment base while assisting Navy efforts in the Trident Submarine Program. The property became surplus as the result of the closing of the Naval Air Station, and it was sold to the State, with the cooperation of the Governor, in less than one month.

JAY SOLOMON
Administrator

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

December 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren
Gus Speth
Jane Yarn

SUBJECT: Weekly Status Report

Solar Energy Review. Last April DOE and CEQ jointly proposed that you approve a Solar Energy Domestic Policy Review. In May on Sun Day you initiated the effort. Last week a very high quality final Response Memorandum was submitted to Stu. While most of the analytic work was done by DOE and CEQ, the memorandum benefitted greatly from Kitty Schirmer's guidance.

Although the memorandum's consensus estimate of the solar potential is somewhat less than we believe is possible (20% of U.S. energy supply in the year 2000 vs. a CEQ estimate of 25%), the basic conclusion that solar can contribute in a major way in this century to meeting our energy needs is strongly supported. The Response Memorandum makes a compelling case for strengthening the federal solar effort to achieve this 20% goal and presents three broad solar acceleration options for your consideration.

Given the serious nature of our energy and environmental dilemmas, you have an historic opportunity to make decisions based on the Response Memorandum that will benefit generations of Americans and provide world leadership in this important area.

Plaudits. The environmental community will hold a press conference December 20 to review your accomplishments during the first two years. They are in uniform agreement that a strong, positive statement giving you high marks is in order.

The panel on Natural Resources and Environment in Memphis, of which I was a member, was well received. The tone of delegate comments was set by a widely distributed Sierra Club pamphlet which opened with the observation your "Administration in a brief two years has developed an environmental record of which it can be proud."

The same view was noted in a quote in a Business Week book review of "Footprints on the Planet" by Bob Cahn, a Nixon-appointee to CEQ, who opined that you "may be the most environmentally aware President since Theodore Roosevelt."

Congratulations!

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cc Costle
Sent to Doug Costle ✓

United States
Environmental Protection Agency
Washington, D.C. 20460

December 15, 1978

The Administrator

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

- On Thursday we announced our proposed regulations for controlling the disposal of hazardous wastes. These wastes may create one of the more serious long-term health problems facing the Nation. Our challenge is to avoid such disasters as the Love Canal in New York without causing excessive hardships to the waste generators and disposers. Our major concern is that we don't force people to dispose of the wastes illegally as they did in North Carolina. The illegal disposal is even more dangerous than present inadequate disposal methods.

- Tomorrow we are announcing that we will continue to allow the sale and use of gasohol (a mixture of gasoline and alcohol). This is an issue of high public and Congressional interest, although it is apparently of relatively little importance in terms of our energy picture. Although the 1977 Clean Air Act Amendments make it difficult for us to allow the continual sale of this substance, it did not seem reasonable to prohibit it.

- As you may know, the Environmental Protection Agency, the Tennessee Valley Authority, the States of Alabama and Kentucky, and ten citizen health and environmental organizations have settled a decade-long dispute with the TVA Board's approval of an agreement on air pollution control compliance at TVA coal-burning power plants.

  TVA is the country's largest producer of electricity from coal. The compliance plan involves new applications of pollution control technology, including a type of sulfur dioxide "scrubber" that will produce a useful byproduct rather than waste material. This plan also involves continuing use of coal from Eastern sources, which will help preserve jobs in Appalachia. Dave Freeman deserves much credit for this.

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| DOCUMENT | CORRESPONDENTS OR TITLE | DATE | RESTRICTION |
|---|---|---|---|
| Memo | Andrew Young to Pres. Carter, 1 pg., re:UN activity | 12/14/78 | A |

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 12/18/78 [1] Box 112

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 16, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze CLS

Subject: CEA Weekly Report

Economic Forecast. The interagency forecasting group has completed its final forecast for the economy in 1979. The forecast will be presented to the full EPG next Tuesday and discussed with you at the OMB overview session on the FY 1980 budget now scheduled for Thursday. In line with my comments to you on individual statistics over the past few weeks, the forecasters found both hopeful signs and disturbing trends in the economy next year. They expect a rate of economic growth somewhere between 2 and 2-1/2 percent over the next four quarters -- somewhat stronger in the first half of the year and somewhat weaker in the second. (The surprising strength of the fourth quarter 1978 may imply a slightly lower growth in 1979 to reach the GNP levels we are forecasting for late 1979. A full report on the outlook will come to you prior to the OMB overview.)

Regulation. Your economic advisers have been deeply involved in analysis of five major regulations now under development in Executive Branch agencies. Recently, one of those agencies -- the Department of Interior -- sought from the Justice Department advice on the manner in which contacts with the White House and other agencies should be conducted consistent with legal requirements on administrative procedures. This week, CEA, CWPS, and DPS met with Justice Department officials to discuss the legal questions involved. Department of Justice officials believe that there are no questions about the ability of you or your staff to participate directly in the regulatory decision making process. However, they do suggest that

some changes may be appropriate in our procedures for dealing with outsiders who have an interest in particular regulations. We are pursuing that question further with them.

Humphrey-Hawkins. Preparation of the Economic Report of the President is underway at the CEA. One of the major concerns with this Report will be how we handle the Humphrey-Hawkins bill economic goals. CEA, DPS and OMB have discussed an appropriate approach. Staff members from those three agencies have reached general agreement that, while we should adopt the 1983 goals in the bill this year as required, we should state clearly that they are extremely ambitious goals. We will indicate that to achieve them would require virtually unprecedented success both in encouraging economic growth and in controlling inflation. All three agencies feel that, while we can and should adopt the goals this year -- we can change them next year under the law -- the credibility of our economic program hinges to a significant degree on placing the extreme ambition of the goals in the correct light.

Labor Budget. CEA and OMB have been working together to develop a better triggering mechanism for job programs under Title VI of CETA. I believe that we have identified a triggering device that, relative to the current arrangements, both provides better targetting on the needy jobless and calls for a smaller increase in PSE for any given increase in unemployment. The trigger formula is based on the eligibility criteria of Title II of CETA, which particularly addresses long-term unemployment among the disadvantaged.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

December 15, 1978

MEMORANDUM FOR: The President
Attention: Rick Hutcheson

SUBJECT: Weekly Report of Major Departmental Activities

There have been no major activities within the Department of Housing and Urban Development during the past week which merit the President's attention.

Patricia Roberts Harris